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Analysis of the
**GARY-HAMMOND-EAST CHICAGO
INDIANA
HOUSING MARKET**

as of June 1, 1966

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

GARY-HAMMOND-EAST CHICAGO, INDIANA, HOUSING MARKET

AS OF JUNE 1, 1966

Field Market Analysis Service
45 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
GARY-HAMMOND-EAST CHICAGO, INDIANA, HOUSING MARKET
AS OF JUNE 1, 1966

Summary and Conclusions

1. The present economy of the Gary-Hammond-East Chicago Housing Market Area (HMA) is heavily dependent upon the steel industry which employs about one-third of all nonagricultural wage and salary workers in the area. Nonagricultural wage and salary employment increased by about 24,200 jobs during the 1958-1965 period, an average of 3,025 a year. During the 1963-1965 period, however, the gain averaged 10,800 a year. Employment increases in the steel mills accounted for over 40 percent of the total wage and salary gain of the past three years. Over the June 1966-June 1968 forecast period, nonagricultural employment is expected to increase by about 4,000 jobs a year, with a majority of the gain expected in the trade, government, services, and construction industries.

In 1965, unemployment averaged 7,400 workers, representing an unemployment ratio of 3.2 percent of the work force, the lowest level recorded during the 1958-1965 period. Unemployment in the first five months of 1966 was lower, about 2.9 percent of the work force.

2. The current median income of all families in the HMA, after deduction of federal income taxes, is about \$7,325, and the median income of all renter households of two-or-more persons is \$5,975.
3. The estimated current population of the HMA, 636,200 persons, represents an increase of about 10,150, (about two percent) a year, since 1960. The 1950-1960 decennial gain averaged around 16,525 persons annually. By June 1, 1968, the population is expected to total 656,100 persons, an annual gain of 9,950 over the present level. Households currently total 178,100, a gain of approximately 2,875 (almost two percent) a year since 1960. Between 1950 and 1960, the increase averaged 4,700 households annually. Household growth during the next two years is expected to approximate 2,800 annually.
4. The current housing inventory of 186,400 units represents a net addition of approximately 17,350 units, or nearly 2,825 a year, since 1960; the average gain between 1950 and 1960 was approximately 5,025 units annually. New private residential construction activity, as measured by building permits issued, has shown only minor fluctuations during the past six years. From an annual average of 3,050 units in 1960, the volume increased slightly to an average of 3,250 units in the following two years, rose again to 3,450 units in 1963, dropped to 3,250 in 1964, and reached a period high of 3,575 units in 1965. The

single-family construction volume has been fairly stable, averaging about 2,775 units a year during the 1960-1965 period, while the multi-family construction volume quadrupled during the 1960-1963 period from 220 units to 810 units, dropped back to 600 units in 1964, and then increased to 850 in 1965. The proportion of units occupied by owners increased from 60 percent in 1950 to 65.6 percent in 1960 and to 67.9 percent at present.

5. There are currently 3,150 vacant, nondilapidated, nonseasonal housing units in the HMA, of which 1,300 are available for sale, representing a homeowner vacancy ratio of 1.1 percent, slightly above the 1960 ratio of one percent. The remaining 1,850 vacant units are available for rent, a rental vacancy ratio of 3.1 percent, a substantial decline from the 1960 ratio of 4.8 percent. The current sales vacancy ratio suggests a fair degree of balance between demand and supply in an area with the growth characteristics of the HMA, while the present rental vacancy ratio is judged to represent a "tight" market, i.e., prospective tenants are limited in their choice of accommodations.
6. During the next two years, there is expected to be an annual demand for about 3,600 new privately-financed housing units in the Gary-Hammond-East Chicago HMA. Total demand consists of 2,600 sales units and 1,000 rental units annually. This demand estimate does not include demand for public low-rent housing or rent-supplement accommodations.

Total demand for 2,600 sales houses a year is distributed by price classes in the table on page 30. Distributions by gross monthly rent levels and by unit sizes of the total annual demand for 1,000 rental units by total households are presented in the tables on page 32.

ANALYSIS OF THE
GARY-HAMMOND-EAST CHICAGO, INDIANA, HOUSING MARKET
AS OF JUNE 1, 1966

Housing Market Area

For the purposes of this analysis, the Gary-Hammond-East Chicago Housing Market Area (HMA) is defined as being coterminous with the Gary-Hammond-East Chicago Standard Metropolitan Statistical Area which consists of Lake and Porter Counties, Indiana (see map). This area had a 1960 population of about 573,550 persons.^{1/} In addition to the three major cities of the HMA, Gary, Hammond, and East Chicago, there were five other towns and cities each of which had a population in excess of 10,000 persons in 1960.

The HMA is situated in the extreme northwestern portion of Indiana, bounded on the north by Lake Michigan, on the east by La Porte County, Indiana, on the south by Newton and Jasper Counties, Indiana, and on the west by the state of Illinois. Downtown Chicago is only about 30 miles northwest of downtown Gary. Other sizable urban centers close to the HMA include Indianapolis which is 160 miles southeast of Gary, and South Bend 60 miles to the east.

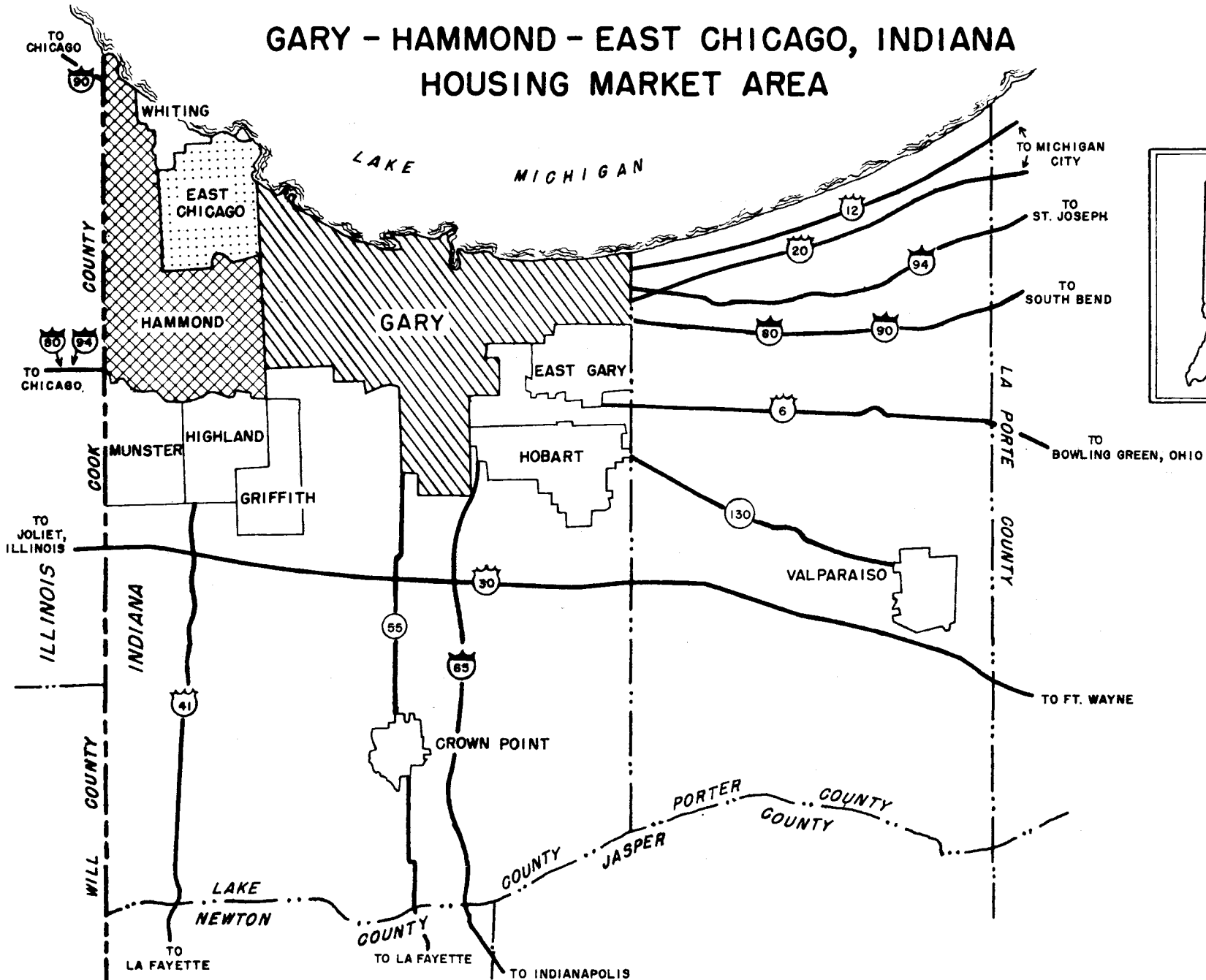
The area is served by an excellent transportation system. Rail service is provided by some 10 to 15 trunk line railroads. The highway system of the HMA includes three completed Interstate routes, six major U.S. highways, and several state routes. Air transportation is available at the Chicago Midway Airport (some 30 minutes travel time from Gary) and at the Chicago O'Hare International Airport (about 60 minutes travel time from Gary). The transportation system of the region is rounded out by its water transport facilities. There are several lake harbor facilities now in Lake County, and a new, modern harbor is to be built in Porter County, the Burns Waterway Harbor. The opening of the St. Lawrence Seaway in 1959 has enabled area industries to import and export overseas directly.

According to the 1960 Census, there was a net in-commutation of about 8,250 workers to the Gary-Hammond-East Chicago HMA in 1960, with 15,550 area residents commuting to work outside the area and 23,800 nonresidents commuting daily to jobs in the area. Of the out-commuters, about 86 percent traveled to jobs in Cook County, Illinois; of the in-commuters, nearly 73 percent came from Cook County, Illinois.

^{1/}

Inasmuch as the rural farm population of the Gary-Hammond-East Chicago HMA constituted only 1.7 percent of the total population in 1960, all demographic and housing data used in this analysis refer to the total of farm and nonfarm data.

GARY - HAMMOND - EAST CHICAGO, INDIANA HOUSING MARKET AREA



Economy of the Area

History and Character

Settlement of Lake and Porter Counties began in the 1830's. The early economy of this region was based on agriculture and trade. In the 1852-1865 period, the first railroads were constructed, and the combination of railroad facilities, cheap water transportation, and a plentiful water supply began to attract industry. Meat packing became the first industry in Hammond in the 1860-1870 period, followed by oil refining in Whiting in 1889. In the early 1900's, the Inland Steel and U.S. Steel corporations became established in East Chicago and Gary, and the steel industry became the dominant economic pursuit. The economy of Porter County did not become industrialized to any great extent until more recent decades.

The present economy of the Gary-Hammond-East Chicago HMA is heavily dependent upon durable goods manufacturing, particularly the primary metals industry, which consists of blast furnaces, rolling mills, and foundries. This industry accounted for about one-third of all nonagricultural wage and salary jobs in the first five months of 1966; it accounted for nearly two-thirds of all manufacturing jobs during this period. The lack of diversity in the manufacturing base represents an economic disadvantage in periods of economic adversity as such "heavy industry" has been quite sensitive to cyclical changes in the national economy. For example, durable goods industries accounted for 82 percent of the 5,600-job loss experienced in the HMA during the 1958-1959 period and for 54 percent of the 8,900-job loss during the 1960-1961 recession.

Work Force

During the first five months of 1966, the civilian work force of the HMA averaged 225,300 persons, slightly above the corresponding months of 1965, but below the 1965 annual average of 228,600. During the 1960-1963 period, the work force declined steadily from an average of 221,400 in 1960 to 211,000 in 1963. The decline in the size of the work force reflects the out-migration of workers and the withdrawal of second wage earners, younger workers, and other marginal members of the work force in response to the lack of job opportunities available to them (see table I).

Employment

Current Estimate and Past Trend. Total nonagricultural employment averaged 217,100 in the first five months of 1966, an increase of less than one percent over the corresponding period in 1965. During the past eight years, nonagricultural employment increased by 23,800 (12 percent) from 195,200 in 1958 to 219,000 in 1965.^{1/} Year-to-year changes varied substantially, however. From the 1958 level, non-agricultural employment declined by 5,600 during the recession to a total of 189,600 in 1959, increased by 16,900 in the following year to a total of 206,500, and then decreased during the 1960-1962 recession period by 9,600 to a 1962 total of 196,900 workers. Since 1962, such employment has increased by 22,100 jobs to a 1965 average of 219,000 workers. Nonagricultural wage and salary employment averaged 204,900 in 1965 and has experienced virtually the same absolute gains and losses as occurred in total nonagricultural employment. Other nonagricultural employment, including the self-employed, unpaid family workers, and domestics, averaged about 14,100 in 1965 and has shown little change during the past eight years, decreasing by only 400 persons (see table I).

Changes in nonagricultural wage and salary employment, as presented in the following table, show that employment has fluctuated substantially, with a significant decline experienced during the 1958-1959 period, a sharp increase registered in the 1959-1960 period, and then another significant decrease in the 1960-1962 recession. As a result of the construction and staffing of a large steel-producing facility in Porter County and the impact of the upward growth trend of the national economy, wage and salary employment has increased since 1962.

^{1/} Comparable employment data are available for the years 1958-1966 only.

Trend of Nonagricultural Wage and Salary Employment
Gary-Hammond-East Chicago, Indiana, HMA
Annual Averages, 1958-1965

<u>Year</u>	<u>Manu- facturing</u>	<u>Non- manufacturing</u>	<u>Total</u>	<u>Change in total</u>
1958	99,700	81,000	180,700	-
1959	94,600	80,500	175,100	-5,600
1960	105,900	86,100	192,000	16,900
1961	100,200	82,900	183,100	-8,900
1962	99,300	83,400	182,700	-400
1963	98,900	84,400	183,300	600
1964	102,900	92,600	195,500	12,200
1965	106,800	98,100	204,900	9,400

Sources: Indiana Employment Security Division and U. S.
Department of Labor.

Manufacturing employment has experienced both severe losses and substantial gains during the past eight years, resulting in only a moderate net employment growth in this segment of the economy. The total of 106,800 employed in manufacturing in 1965 represents a gain of 7,100 jobs (seven percent) over the 1958 level, but only a 900 increase over the previous peak reached in 1960. Since the 1963 low, manufacturing employment has increased significantly by 7,900 jobs. For the first five months of 1966, manufacturing employment averaged 105,200, nearly one percent below the same period in 1965. This decline reflects, mainly, lower employment in the primary metals industries. Steel producers built up inventories last year as a hedge against a possible steel strike, and the slight decline results from a lowering of these inventories at the present time.

Employment in nonmanufacturing grew by 17,100 (21 percent) during the 1958-1965 period. Losses in the 1958-1959 and 1960-1961 periods were primarily the result of large declines in the construction industry. The bulk of the over-all employment increase over the past eight years reflects gains in the trade, services, and government categories. A large proportion of the increase experienced in 1964 and 1965 was attributable to the construction industry, however, reflecting an increase in the number of workers needed for the construction of a new steel mill in Porter County.

Employment by Industry. Of the 204,900 wage and salary workers in the Gary-Hammond-East Chicago HMA in 1965, about 106,800 (52 percent) were employed by manufacturing industries. Over the entire 1958-1965 period, manufacturing employment has accounted for 52 to 55 percent of total wage and salary employment. Approximately one-third of all wage and salary employment in 1965 was provided by the primary metals industry in which an average of 69,200 workers were employed. Nearly 91 percent of all employment in this industry in 1965 was in steel mills, e.g., blast furnaces and rolling mills. The remaining nine percent of primary metals employment was provided by foundries.

The importance of the primary metals industry to the economy of the area is revealed by an examination of the detailed employment data shown in table II which show that this industry has been principally responsible for much of the manufacturing gains and losses during the past eight years. For example, slightly over 89 percent of the 5,600 wage and salary jobs lost in the HMA in the 1958-1959 period and 35 percent of the 8,900 lost in the 1960-1961 recession were steel jobs; conversely, almost 54 percent of the 16,900-employee gain in the 1959-1960 period occurred in the steel plants. In the past two years, employment increases in the steel mills have accounted for nearly 38 percent of the total wage and salary increase of 21,600.

The second largest manufacturing industry in the HMA is the fabricated metals industry in which an average of 7,600 workers were employed in 1965, about four percent of all wage and salary employment, compared with 34 percent in primary metals. This industry consists mainly of firms producing fabricated structural steel products (American Bridge Company) and automobile bodies (The Budd Company). Employment in this industry has declined since 1960, reflecting the phase-out of three firms: Graver Tank, Combustion Engineering, and the Edward Valves Company. These firms had a total estimated employment of between 2,000 and 2,500 in 1960. The petroleum refining industry employed about 6,500 workers in 1965 (three percent of wage and salary employment). The refineries are concentrated in the East Chicago-Whiting area. Employment in this industry has experienced a constant decline since 1958, reflecting continued automation.

Nonmanufacturing industries, which employed an average of 98,100 workers in 1965, have accounted for about 45 to 48 percent of all wage and salary employment since 1958. Wholesale and retail trade establishments are the largest source of employment, engaging about 32,300 workers in 1965, equal to nearly 16 percent of all wage and salary employment. Trade employment increased by 1,200 jobs a year during the 1958-1960 period, experienced minor losses during the 1960-1961 and 1962-1963 periods, and registered significant gains of 1,200 and 2,200 during the past two years. The various governmental agencies in the area and services,

each employed about 17,000 persons in 1965 (slightly over eight percent of wage and salary employment). These two groups have exhibited a continuous upward trend in employment during the past eight years, with average gains of about 560 workers a year registered by the service establishments and approximately 670 annually by the governmental agencies.

The construction industry employed 13,800 workers in 1965 (nearly seven percent of wage and salary employment). During the economic downturns of 1958-1959 and 1960-1962, the construction industry experienced losses of 2,400 and 4,800 workers, respectively. In the three years since 1962, construction employment has increased by 6,500 jobs, reflecting the considerable commercial and industrial construction which occurred, as well as the recovery of the many jobs lost in the past. The transportation, communication, and public utility industry had job losses totaling 1,400 during the 1959-1962 period, probably reflecting railroad employment decreases. These losses have not been recovered as the 1965 employment total of 12,800 (six percent of wage and salary employment) is nearly five percent below the 1958-1959 high of 13,400 workers. Finance, insurance, and real estate employed some 5,300 persons in 1965 (nearly three percent of wage and salary employment). These businesses have experienced almost continuous gains since 1958 ranging between 100 and 200 employees annually.

Principal Employment Sources

The majority of all primary metals employment is provided by three major steel-producing firms, United States Steel, Inland Steel, and Youngstown Sheet and Tube. In May 1966, these firms had a combined employment of nearly 58,100 persons, equal to almost 29 percent of all wage and salary workers in the HMA.

The United States Steel Corporation is the largest single employer in the HMA and Inland Steel has the second largest work force. This company has just purchased additional land for future expansion. Youngstown Sheet and Tube is the third largest employer in the HMA and recently started construction of an additional blast furnace which is reported to be the largest in North America. In addition to these older steel companies, two new firms have begun operations in the area since 1960. Midwest Steel shipped its first products in 1961. In the 1963-1964 period, Bethlehem Steel began constructing a plant adjacent to the Midwest facility which is now in production.

Unemployment

The Indiana Employment Security Division reported that an average of 7,400 workers were unemployed in the HMA in 1965, equal to 3.2 percent of the work force. This was the lowest unemployment ratio attained during the 1960-1965 period, but the ratio during the first five months of 1966, 2.9 percent, was even lower. Unemployment was at a peak in 1961 when 15,300 persons, or 7.1 percent of the work force, were unemployed. (Unemployment was probably higher during 1958 and 1959, but comparable data are not available for those years). Since 1961, unemployment ratios have declined steadily. It should be noted that the decline of 4,300 in unemployed during the 1961-1963 period accompanied a decrease of 4,400 in the size of the work force (see table I). Current information concerning the composition of the unemployed indicates that the majority are new labor force entrants or are unskilled.

Future Employment Prospects

Based on past employment trends presented in this analysis and on information from local employment sources on prospective losses and gains, nonagricultural employment in the Gary-Hammond-East Chicago HMA is expected to increase by 4,000 jobs a year during the June 1966-June 1968 forecast period. The projected annual gain is somewhat above the 1958-1965 yearly growth of about 3,400 jobs, but is substantially below the 12,200 and 9,300 jobs added during the years of 1964 and 1965. The totals for the past two years were inflated, however, by increases in the building industry for the construction of the Bethlehem Steel plant, the initial staffing of the new mill, and the recovery of the remaining steel and construction jobs lost during the recession in the early 1960's.

Of the anticipated employment increase, about 1,000 jobs a year are expected to be added by the steel industry. An annual gain of about 500 jobs in other manufacturing industries is expected to be offset by losses in the constantly-declining petroleum refining industry. The recent start of construction of new blast furnace facilities by Youngstown Sheet and Tube, the purchase of land by Inland Steel for future expansion (which is not expected to occur in the near future), and the forecast of high demand for steel recently made by the United States Department of Defense, all suggest that steel employment prospects are bright. However, such optimism is dampened by the fact that the steel industry in the HMA (as well as in the nation as a whole) is continually improving production techniques. The utilization of computers, automated equipment, and other modern machinery has made it possible for the industry to maintain and surpass production goals without commensurate increases in employment. Thus, giving consideration to this trend and to the facts that steel employment during the past two years was inflated by the previously-discussed completion of the staffing of the Bethlehem plant and the recovery of recession losses, a moderate projected increase in steel employment appears reasonable.

Nonmanufacturing industries are expected to add 3,000 jobs a year during the forecast period, with the anticipated gains to be led by trade establishments (1,000 annually), followed by governmental agencies (600 yearly), services (500), and the construction industry (500). All of these industries have exhibited excellent gains in the past and with a continuation of the current prosperity that the HMA and nation are enjoying, the increase in area population, and the start of site development on the Burns Waterway Harbor, it is not reasonable to expect increases at about the same average rate that has occurred during the last few years. The area is, however, particularly sensitive to changes in the national economy and any cyclical downturn would have a serious effect on these projections of growth in employment.

Income

The estimated current median annual income of all families in the HMA, after deduction of federal income taxes, is about \$7,325, and the median income of all renter households of two-or-more persons is \$5,975. About 25 percent of all families in the area have after-tax incomes in excess of \$10,000 a year, while 14 percent earn yearly incomes of \$4,000 or less. By 1968, the median annual after-tax income of all families is expected to rise to \$7,600, while the renter household median income is expected to approximate \$6,200 (see table III).

Demographic Factors

Population

HMA Current Estimate and Past Trend. The estimated total population of the Gary-Hammond-East Chicago HMA is approximately 636,200 persons as of June 1, 1966, an average annual gain of 10,150 (about two percent) since April 1960. Between 1950 and 1960, the population increased by an annual average of around 16,525 persons (slightly over three percent) from 408,225 to 573,550 (see table IV). The slower rate of growth since 1960 was a result of the adverse economic conditions of the late 1950's and early 1960's. Local employment sources indicated that when economic conditions are favorable, in-migration occurs and, conversely, out-migration takes place when job opportunities become scarce. Thus, it is judged that a large proportion of the 1950-1960 population increase occurred in the early part of the decade and much of the 1960-1965 gain has taken place since 1963.

Lake County contains the urbanized center of the HMA. During the 1950-1960 decade, the population in this county grew by about 14,500 (over three percent) a year, accounting for nearly 88 percent of the total population gain in the HMA. Since 1960, population growth in Lake County dropped almost to half the 1950-1960 average growth, with around 7,575 persons a year (slightly over one percent) and representing about 75 percent of the total HMA gain. This county was greatly affected by the unfavorable economic conditions of the 1957-1962 period because the greatest proportion, by far, of the heavy industry in the HMA is located in Lake County. In contrast, Porter County experienced an average growth of 2,025 persons yearly (four percent) during the 1950-1960 decade compared with a growth of 2,575 (four percent) since then. The increase in the population growth since 1960 in Porter County reflects the influx of steelworkers to the new steel mills (Midwest and Bethlehem) in the dunes area (see table IV).

Principal Cities. Gary, the largest of the three central cities of the HMA, has a current population of 189,200 persons; Hammond has a population of 117,300; and East Chicago, 55,000 persons. The combined population of the central cities equals nearly 57 percent of the total HMA population of 636,200.

The current population of Gary represents an increase of 1,750 persons (one percent) annually since 1960. The post-1960 growth rate is only about a third of the 1950-1960 yearly gain of 4,450 (three percent). A similar decline in growth rate occurred in Hammond; the annual gain dropped from a level of about 2,400 (three percent) during the decade to only 900 (less than one percent) over the 1960-1965 period. In East Chicago, the population grew by almost 350 persons a year between

1950 and 1960, but since then, a loss of approximately 425 persons annually has occurred (see table IV). Besides the lack of economic growth over the 1958-1963 period, the reduction of the growth rate in the central cities reflects problems which are not unusual to many of the heavily-industrialized cities in the nation, e.g., the decreasing amount of vacant land available for residential construction, congested central business districts, older, poor-condition housing, and the movement of families to the suburbs.

Remainder of the HMA. The most rapid population growth in the HMA since 1960 has taken place in the suburban and unincorporated areas of Lake County and in Porter County. Since 1960, four incorporated areas in Lake County, (Crown Point, Griffith, Highland, and Munster) registered annual numerical gains which were as high or higher than those of the 1950-1960 decade. The increase in these areas equaled about one-fourth of the total HMA post-1960 growth compared to a 1950-1960 proportion of approximately 14 percent. In the remainder of Lake County, excluding all major cities, population growth averaged 3,750 persons a year during the 1950-1960 decade, representing 23 percent of the HMA total growth; since 1960 the increase has averaged 2,425 annually, equal to 24 percent of the HMA total increase.

The increase in population growth of the areas outside the major cities since 1960 reflects the in-migration of families with children to the numerous subdivisions and garden apartments which have been built during the past six years. A sizable proportion of the increase consisted of families leaving the central cities.

In Porter County, the city of Valparaiso experienced annual population gains of 325 (over two percent) and 400 (nearly three percent), respectively, during the 1950-1960 and 1960-1966 periods. The increased population growth in this city reflects the growth of Valparaiso University and the in-migration of steelworkers employed by the two new steel plants in the dunes area. Annual population gains in the remainder of Porter County averaged 1,700 (about five percent) during the 1950-1960 decade and 2,175 (four percent) since 1960 (see table IV). Much of the post-1960 growth is judged to have occurred in the areas near the new steel mills.

Future Population Growth. On the basis of anticipated employment gains, the total population in the Gary-Hammond-East Chicago HMA is expected to increase by about 19,900 (9,950 a year) to a June 1, 1968 total of 656,100 persons. The projected annual growth of 9,950 persons is only slightly below the 1960-1966 annual increase of 10,150 persons, but is

probably substantially below the average annual gains in the 1963-1965 period when there was a sharp increase in employment in the area. As in the past six years, it is anticipated that the greatest share of the growth will occur in the suburban areas of Lake County, in the areas near the lake, and around the city of Valparaiso in Porter County.

Natural Increase and Migration. Net natural increase (excess of resident live births over resident deaths) in the Gary-Hammond-East Chicago HMA totaled about 100,675 during the 1950-1960 decade. Compared with the over-all population increase of approximately 165,325 reported by the census, the difference of 64,650 (6,465 annually) represents a net in-migration of population. As shown in table V, Lake County experienced a net in-migration of about 5,050 persons annually during the decade with a large proportion (4,725 a year) moving into the suburban and rural areas. Two of the central cities, Gary and Hammond, experienced a small yearly in-migration of approximately 340 and 810 persons, respectively; in East Chicago there was an annual out-migration of nearly 840 persons. In Porter County, in-migration averaged nearly 1,425 a year during the decade.

Since 1960, the HMA has had an average annual net in-migration of fewer than 100 persons. This apparent decline in the number of persons migrating into the HMA compared with the previous decade is somewhat misleading, however. A large proportion of the decennial in-migration is judged to have occurred in the early 1950's. During the 1958-1963 period, when employment in the area showed little growth, a sizable out-migration occurred which has been offset in the past two years by a sharp increase in in-migration as employment opportunities increased.

All three central cities have had a significant out-migration of population since 1960, principally reflecting the suburban movement. In the remainder of Lake County, in-migration has continued but at a decreased rate. Much of the population which has settled in the areas outside the central cities consists of former residents of the central cities. In Porter County, net in-migration has averaged about 1,525 a year since 1960 compared to an average of 1,425 annually between 1950 and 1960. This increase is a result of the increased employment opportunities made available by the opening of the new steel mills in the county, as well as some in-migration of persons from Gary (see table V).

Households

HMA Current Estimate and Past Trend. Since 1960, the number of households (occupied housing units) in the HMA has increased by about 17,700 (eleven percent) to a June 1966 total of 178,100 households, an annual gain of around 2,875 (almost two percent). Between 1950 and 1960, households increased by about 4,700 (nearly four percent) a year (see table VI).^{1/} The slower rate of household growth since 1960 reflects the reduction in the population growth rate.

Principal Cities. At the present time, there are 52,700 households in the city of Gary, 34,900 in Hammond, and 16,650 in East Chicago. The combined household total of the central cities equals almost 59 percent of the total number of households in the HMA. During the 1950-1960 decade, these cities accounted for slightly over 62 percent of all households in the area. This decline reflects the much slower rate of household growth which has occurred in the cities since 1960.

In Gary, the decennial household growth was almost 1,300 a year (three percent) compared to a post-1960 rate of only 390 annually (less than one percent). In Hammond, the yearly household increment dropped from about 780 (three percent) to 310 (one percent), and in East Chicago, the number of households has declined since 1960 by around 30 a year compared with an increase of 240 annually over the previous decade (see table VI). The reduction of household growth in the central cities reflects the continued suburbanization of the population as well as the scarcity of suitable vacant building sites, and the other factors discussed in the population section.

Remainder of the HMA. The greatest post-1960 household gains occurred, of course, in the areas of most rapid population growth. In Lake County, the communities of Crown Point, Griffith, Highland, and Munster experienced a combined household increase of 675 a year since 1960, representing nearly one-fourth of the total growth in the HMA; during the 1950-1960 decade, the four areas accounted for 13 percent of total growth. In Lake County, outside the central cities and the communities discussed above, annual household growth averaged 1,225 between 1950 and 1960, about 26 percent of the total decennial increase, and 800 during the 1960-1966 period, equal to around 28 percent of the total gain. In Porter County, households grew by 550 during the decade and by 725 since then, reflecting the influx of steelworkers to the new mills (see table VI).

^{1/} The increase in the number of households between 1950 and 1960 reflects, in part, the change in census definition 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 HMA is expected to increase by 5,600 (three percent) to a total of 183,700 as of June 1, 1968. The prospective increase represents an annual gain of approximately 2,800 households, slightly below the 1960-1966 average yearly increment of about 2,875 households, but probably substantially below the households gains of the last three years when employment increased significantly. The projected household growth is based on a continuation of employment gains in the area.

Household Size. The average size of households in the HMA as of June 1, 1966, is estimated at about 3.53 persons, about the same as the 1960 average. Between 1950 and 1960, household size increased from 3.49 persons to just slightly above 3.53 persons (see table VI). It is anticipated that household size will remain at about the 1966 level of 3.53 persons during the two-year forecast period.

Housing Market Factors

Housing Supply

Current Estimate. The housing inventory in the HMA totals about 186,400 units as of June 1, 1966, a net addition of approximately 17,350 (ten percent), or nearly 2,825 housing units annually, since April 1960. Nearly 58 percent of this increase occurred in the suburban areas of Lake County, which had a net gain of over 10,000 units (1,625 a year).

The central cities of Gary and Hammond experienced respective gains of 280 and 300 housing units annually since 1960, while the inventory in East Chicago actually declined by about 95 units a year. The small increases in Gary and Hammond and the loss in East Chicago reflect a combination of a substantial number of units added through new construction and large demolition losses. Virtually all of the inventory losses in the central cities were a result of extensive urban renewal programs.

In Porter County, the housing inventory has increased by 4,350 units (23 percent) since 1960 to a total of 23,200 as of June 1, 1966. This gain represents an increment of slightly over 700 units a year during the past six years. The gains in this county accounted for about a fourth of the total housing unit increase in the HMA (see table VII).

Past Trend. During the 1950-1960 decade, the number of housing units in the HMA increased by nearly 50,150 (42 percent), an annual addition of some 5,025 units. (Part of this increase resulted, however, from the definitional change from "dwelling unit" in the 1950 Census to "housing unit" in the 1960 Census.) The inventories in Gary and Hammond increased by an average of 1,400 and 820 units, respectively, a year while the housing supply in East Chicago had annual gains of only 280 units. In the remainder of Lake County, the number of housing units in the inventory increased by approximately 1,925 units a year, equal to about 38 percent of the total HMA gain. Additions to the Porter County housing supply averaged 600 units annually, representing about twelve percent of the total HMA increase.

Type of Structure. Approximately 74 percent of the housing units now in the HMA are in one-family structures (including trailers), somewhat above the 1960 proportion of slightly over 72 percent. Units in two-family structures presently comprise about nine percent of the total, compared with nearly ten percent in 1960. Units in multifamily structures (structures with three or more units) currently constitute almost 17 percent of the total inventory, down from the 1960 proportion of nearly 18 percent. The slight decrease in the proportion of multifamily units reflects the large demolition losses in the central cities of the HMA, a result of urban renewal clearance programs.

A comparison of the current distributions of the housing inventory by type of structure in the central cities with those in 1960, indicate that the present single-family proportions in Gary and East Chicago are above the 1960 level, the two-family ratios have remained about the same, and the proportions of multifamily units have declined. The decreases in the multifamily ratios since 1960 in these two cities reflect large urban renewal demolitions; in fact, the number of multifamily units has declined since 1960. In Hammond, the current proportion of single-family units is slightly below the 1960 level, while the proportion of multifamily units has increased. This rise reflects a large multifamily construction volume over the past six years. In Porter County, both the single-family and multifamily proportions have risen and the proportion in duplexes has declined since 1960 (see table VIII).

Age of Structure. Based on the 1960 Census of Housing and estimates derived from building permit and demolition data, it is judged that almost eleven percent of the current housing inventory in the HMA is approximately six years old or less, while nearly 37 percent is 37 or more years old. As might be expected, the inventory in the central cities is rather old, while the inventory in the suburban portions of Lake County and in Porter County has been built more recently.

Percentage Distribution of the Housing Inventory
By Age of Structure
Gary-Hammond-East Chicago, Indiana, HMA
As of June 1, 1966

<u>Age</u>	<u>Gary</u>	<u>Hammond</u>	<u>East Chicago</u>	<u>Rest of HMA</u>	<u>HMA total</u>
6 years old or less	5.5	5.4	1.8	18.1	10.5
7 to 11 years old	9.3	10.6	3.6	20.1	13.6
12 to 16 years old	14.4	14.4	3.9	14.7	13.6
17 to 26 years old	15.5	16.2	3.9	16.9	15.2
27 to 36 years old	12.9	11.2	10.7	8.4	10.5
37 or more years old	42.4	42.2	76.1	21.8	36.6
Total	100.0	100.0	100.0	100.0	100.0

Note: The basic data in the 1960 Census of Housing from which the above estimates were developed reflect an unknown degree of error in "age of structure" occasioned by the accuracy of response to enumerators' questions as well as errors caused by sampling.

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

Condition of the Inventory. An estimated ten percent of the current housing inventory in the HMA is dilapidated or is lacking one or more plumbing facilities, an improvement over the 1960 proportion of slightly over 12 percent. A significant improvement in the quality of the inventory has occurred in Gary and East Chicago as a result of the substantial

demolitions in urban renewal areas during the past six years. Currently, about 12 percent of the housing supply in Gary and 19 percent of the stock in East Chicago is dilapidated or lacks one or more plumbing facilities, compared with respective ratios of 15 percent and 23 percent in April 1960. In Hammond, only about six percent of the inventory is substandard, about the same as the 1960 proportion. The housing supply in this city has generally been in better condition for many years, possibly reflecting the fact that it is not as industrialized as Gary and East Chicago. Substandard housing presently constitutes about eight percent of the inventory in the suburban and rural areas of Lake County, compared with nearly ten percent in 1960. In Porter County, inadequate housing now equals about ten percent of the housing supply, down from the 1960 proportion of 12 percent.

Residential Building Activity

Trend. New residential construction activity, as measured by the number of building permits issued, is presented in table IX for the January 1960-June 1966 period. As shown in the table, there have been minor year-to-year fluctuations in construction volume during the past six years. From a low of about 3,050 units authorized in 1960, the volume increased slightly to an average of over 3,250 in the following two years, rose to a level of approximately 3,450 units in 1963, dropped to 3,250 in 1964, then rose to a high in 1965 when nearly 3,575 housing units were authorized. During the first five months of 1966, 1,355 units were authorized, little changed from the 1,344 authorized for the corresponding period in 1965.

There were similar minor fluctuations in single-family construction volume. The average number of single-family houses authorized during the past six years has been about 2,775 a year with a peak volume of 3,000 units in 1961 and a low of 2,650 units in 1963 and 1964. In contrast, multifamily construction volume almost quadrupled during the 1960-1963 period, from about 220 units in 1960 to nearly 810 units in 1963. In 1964, the volume declined to 600 units and then rose to 850 in 1965.

Total Housing Units Authorized by Building Permits
Gary-Hammond-East Chicago, Indiana, HMA
1960-1965

<u>Year</u>	<u>Single-family</u>	<u>Multi-family</u>	<u>Total</u>
1960	2,835	218	3,053
1961	3,007	290	3,297
1962	2,765	463	3,228
1963	2,655	805	3,460
1964	2,647	601	3,248
1965	2,719	850	3,569

Sources: Bureau of the Census, C-40 Construction Reports.
 Local building inspectors.

The three central cities have accounted for nearly 29 percent of the total construction volume in the HMA during the past six years. About 5,650 units were authorized in the cities, compared to a total HMA volume of 19,850 units. The cities of Gary and Hammond accounted for nearly 90 percent of all units authorized in the central cities; East Chicago had a volume of only 570 units, equal to ten percent of the three-city volume. Approximately 19 percent (3,850 units) of the total six-year construction volume was located in the towns of Griffith, Highland, and Munster in Lake County. These areas have experienced the most rapid population and household growth since 1960 of any of the suburban areas in both Lake and Porter Counties. In the remainder of Lake County (outside all major cities) slightly over one-fourth (5,125 units) of the six-year building volume took place; Porter County accounted for 21 percent (4,200 units).

During the 1960-1965 period, approximately 16,650 single-family houses were authorized in the HMA, of which 19 percent (3,225) were in Gary and Hammond, 20 percent (3,300) in the fast-growing suburban areas of Griffith, Highland, and Munster, and 24 percent (3,975) were in Porter County. East Chicago had a volume of only 210 units, equal to just over one percent of the single-family construction total in the HMA. Total single-family construction volume in Porter County increased each year from 375 units in 1960 to 830 units in 1963, dropped to 680 in 1964, and then rose again to 840 units in 1965.

A total of about 3,225 multifamily units were authorized in the HMA over the 1960-1965 period. The three central cities accounted for about 69 percent (2,225 units) of the total volume, with Hammond leading with a total of 1,150 multifamily units (36 percent of the total). Gary had

the next largest volume with 690 units authorized (21 percent), followed by East Chicago with 370 units (11 percent). The remainder of the multifamily units authorized over the past six years were scattered throughout the HMA.

Units Under Construction. On the basis of a postal vacancy survey conducted in the HMA, building permit data, and FHA records, it is judged that there are approximately 1,575 units currently in some stage of construction in the Gary-Hammond-East Chicago HMA. Of these units, about 940 (60 percent) are single-family structures and 635 are multifamily units.

Nearly three-quarters (700) of the single-family units under construction are in Lake County, with the suburban areas of Griffith, Highland, and Munster accounting for over 26 percent (250) and Gary for 18 percent (170). Of the 635 multifamily units under construction, nearly 60 percent are in East Chicago (260 units) and Hammond (120 units). Only ten percent (65 units) of the multifamily structures under construction are in Porter County.

Demolitions. Losses to the inventory resulting from demolition activity have been substantial since 1960 in the HMA, totaling about 2,250 units. Approximately three-quarters of the units demolished were in multifamily structures. Virtually all (97 percent) of the demolitions occurred in the central cities as a result of urban renewal action. Gary was the leader, with over 1,175 units demolished, followed by East Chicago with 890, and Hammond with 120 units.

Tenure of Occupancy

There are 178,100 occupied housing units in the HMA as of June 1, 1966, of which 120,900 (67.9 percent) are owner-occupied. Between 1950 and 1960, owner-occupancy increased from 60 percent to 65.6 percent. The highest ratios of owner-occupancy are in the suburban and rural areas of Lake County (83.9 percent) and in Porter County (80.1 percent); the lowest ratio is in East Chicago (36.5 percent). Tenure estimates by geographical area are presented in table VII.

Vacancy

Last Census. In April 1960, there were almost 3,900 vacant, nondilapidated, nonseasonal housing units available for sale or rent in the HMA, an over-all net vacancy ratio of 2.4 percent. Approximately 1,100 of these available vacancies were for sale, a homeowner vacancy ratio of one percent. The remaining 2,800 available vacancies were for rent,

representing a rental vacancy ratio of 4.8 percent (see table X). Of the available sales vacancies in the area in 1960, about six percent (70) lacked some or all plumbing facilities; nearly 28 percent (760) of the available rental vacancies lacked plumbing facilities.

Postal Vacancy Survey. A postal vacancy survey was conducted in June 1966 by 13 post offices in the Gary-Hammond-East Chicago HMA, covering nearly 88 percent of the current housing inventory (including trailers) in the two counties. The survey revealed an over-all vacancy of 1.7 percent, 1.3 percent in residences, four percent in apartments, and 1.7 percent in trailer accommodations. In addition, nearly 1,700 units were reported under construction. The results of the survey are summarized in the following table and are presented in detail in table XI.

Summary of Postal Vacancy Survey
Gary-Hammond-East Chicago, Indiana, HMA
June 10-21, 1966

<u>Area</u>	<u>Total</u> <u>units surveyed</u>	<u>Units</u> <u>vacant</u>	<u>Percent</u> <u>vacant</u>
Lake County	142,026	2,396	1.7
Porter County	<u>18,256</u>	<u>351</u>	<u>1.9</u>
HMA total	160,282	2,747	1.7

Source: Postal Vacancy Survey conducted by collaborating postmasters.

It is important to note that the postal vacancy survey data are not entirely comparable with the data published by the Bureau of the Census because of differences in definition, area delineation, 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.

Other Vacancy Surveys. A special survey, sampling about 1,550 conventionally-financed apartment units which have been built since about 1962 in the HMA, was made by FHA personnel in June 1966. The survey covered projects in Gary, Hammond, Griffith, Munster, and Valparaiso. At the time of the survey, only eleven units were found vacant, a vacancy ratio of less than one percent. The survey covered both walk-up and elevator apartments.

In November 1965, the FHA conducted a survey of about 1,525 conventionally-financed rental units in 23 projects of which all but one were in Gary. The sample consisted of 410 units which were built in the 1920's and 1930's, 120 units built in the 1950's, and 1,000 units built in the 1960's. Of the units which are 30 to 40 years old, 20 vacancies were enumerated, a ratio of 4.9 percent. The projects built during the 1950-1960 decade contained three vacancies, or a vacancy ratio of 2.5 percent. Of the post-1960 rental housing surveyed, only four vacancies were counted, a vacancy level of less than one percent.

The excellent occupancy experience of all of the projects surveyed in November 1965 and June 1966 reflects not only the favorable economic conditions of the past few years, but also the fact that demand for rental units in Gary has been increased by families displaced from urban renewal areas.

Current Estimate. On the basis of the postal vacancy survey results, on information from local realtors, mortgagees, and project managers, on FHA surveys, and on personal observation, it is judged that there are approximately 3,150 vacant, nondilapidated, nonseasonal housing units available for sale or rent in the HMA as of June 1, 1966, an over-all net vacancy ratio of 1.7 percent. Of the total number of available vacancies, about 1,300 are for sale, a homeowner vacancy rate of 1.1 percent, and 1,850 are for rent, or a rental vacancy ratio of 3.1 percent (see table X). It is judged that practically all of the available vacancies currently on the market are acceptable units from the stand-point of not being dilapidated or lacking some or all plumbing facilities. The present low proportions of "substandard vacancies" reflect the substantial elimination of such units through urban demolition activity and a general upgrading of housing in the area.

The current level of homeowner vacancies, estimated at 1.1 percent, is only slightly above the reported 1960 Census level of 1.0 percent. This minor change in sales vacancies reflects, among other things, the improved economic conditions of the past few years with a resultant immigration of population, the continued trend toward homeownership, and the lack of any large-scale, speculative tract building. The current 3.1 percent rental vacancy level is significantly below the 1960 ratio

of 4.8 percent. The substantial decline in rental vacancies reflects the absorption of hundreds of vacant rental units by families displaced by urban renewal programs, in-migration of population during the past few years, and demolition of many older multifamily structures.

Sales Market

General Market Conditions. In general, the market for new and existing homes in the Gary-Hammond-East Chicago HMA is firm, although all of the local realtors, mortgagees, and builders interviewed indicated that sales this year are below those of the corresponding period in 1965 because mortgage funds have become less readily available. The firmness of the market is evidenced by the current estimated homeowner vacancy level of 1.1 percent which is only slightly above the 1960 level.

A principal contributing factor in the present firm market condition is the lack of large-scale speculative tract construction. Most of the housing in the area is built on a contract or custom basis, although some small-scale speculative construction does occur. The lack of speculative construction in the area is reflected by the annual unsold inventory surveys of new sales housing which have been conducted by the FHA since 1963. These surveys indicated that speculative construction in subdivisions with five or more completions during the year preceding the survey accounted for about ten to twelve percent of the yearly single-family building volume during the 1963-1965 period.

The sales market appears to be firm in all areas of the HMA, with the strongest markets in the areas of the most rapid population and household growth. Most of the suburban communities in Lake County, e.g., Griffith, Highland, Hobart, and others, and areas north of Valparaiso in Porter County are accounting for the greatest proportion of sales activity. The demand for sales housing in the central cities is also quite strong, although most of the local realtors report that this market is limited because of difficulties in obtaining mortgage credit qualification.

Prices for new and existing sales housing in the area vary widely. Utilizing prices for homes in the larger and more active subdivisions in the area as a guide, it appears that new housing is selling predominantly in the \$17,000 to \$24,000 price range in the Griffith-Highland-Hobart-Merrillville (Ross Township) area. There are some subdivisions in Ross Township with construction concentrated in the \$14,000 to \$17,000 price class. In Crown Point, typical new homes sell for \$16,000 to \$20,000. There have not been any large concentrations of home construction in the cities of Gary, Hammond, or East Chicago, as there are no large amounts of vacant land available for residential construction. In Porter County, prefabricated homes in the Valparaiso area are priced to sell for \$17,000 to \$18,000; in South Haven, north of Valparaiso, units are priced in the \$10,700 to \$19,000 price range.

Typical prices for existing homes also vary substantially in the area. Utilizing multiple listing data as a guide, it appears that existing homes in Gary sell from a low of about \$8,000 to a high of \$50,000. Much of the low to medium priced housing, \$10,000 to \$18,500 price class, is located in the Brunswick, Central, East Side, and Glen Park sections of the city; most of the higher-priced units, \$17,900 to \$25,000 and \$40,000 to \$50,000 price classes, are located in the Miller-Aetna section. In the suburban communities around Gary, i.e., Hobart, Merrillville, Griffith, and others, existing homes are priced to sell in the \$18,000-\$25,000 price class. Of course, some housing in these areas is available in the lower- and higher-price ranges. In Porter County, homes along the Lake are commanding very high prices of between \$40,000 to \$60,000. In areas such as Portage and Chesterton, existing homes sell typically for \$14,000 to \$20,000.

Unsold Inventory Surveys. Surveys of the unsold inventory of new sales houses in the HMA have been conducted by the FHA for the last three years. The surveys were conducted in January of each year and covered subdivisions in which five or more units were completed in the twelve months preceding the survey date (see table XII). A comparison of survey totals with estimated housing completions for the years of 1963, 1964, and 1965 suggest that between 39 and 42 percent of all new homes completed were covered by the surveys. Most of the subdivisions included in the surveys are located in the townships and communities contiguous to the three central cities.

The total number of new home completions enumerated in each of the annual surveys remained at about the same level, with 1,041 homes completed in 1963, 1,103 units in 1964, and 1,104 in 1965. Of the total units completed in 1963, 24 percent (252 units) were built speculatively, compared with 28 percent (310 units) of the 1964 completions, and 24 percent (260 units) of the 1965 completions. The slight increase in speculative construction in 1964 probably reflects optimism by local builders as to the impact of the improving economic conditions. Of the total speculatively-built houses in the HMA in 1963, 90 remained unsold as of January 1, 1964, an unsold to total speculative completions ratio of 35.7 percent. The comparable ratios for houses completed in 1964 and 1965 were 17.7 percent and 22.7 percent, respectively. The ratios of the past two years indicate that the sales market is rather well-balanced between demand and supply.

Of the 90 unsold units completed in 1963, about 38 percent (34) had been on the market for three months or less, 40 percent (36 units) for four to six months, and 22 percent (20 units) for seven to twelve months. In addition, 23 unsold houses in the subdivisions surveyed had been completed

prior to 1963. In 1964, nearly 84 percent of the 55 homes remaining unsold at the time of the survey had been on the market for three months or less and 16 percent had remained unsold for four to twelve months. Of the 59 unsold houses tabulated in 1965, 76 percent had remained unsold for three months or less.

As shown in the following table, there has been an upward trend in prices of houses covered by the surveys. For example, houses priced in the \$15,000 to \$17,500 price class constituted 62 percent of the total number of units completed in 1963, but only 35 percent of the 1965 completions. In contrast, homes priced in the \$17,500 to \$25,000 range accounted for 29 percent of the 1963 completions and 48 percent of those covered in 1965. The proportion of completed units priced above \$25,000 also has increased since 1963. Rising land, labor, and material costs, as well as the demand for more amenities by home buyers, have caused this general upward price trend.

Distribution of New Houses Completed by Sales Price
Gary-Hammond-East Chicago, Indiana, HMA
For the Years of 1963, 1964, and 1965

<u>Sales price</u>	Percent of total completions		
	<u>1963</u>	<u>1964</u>	<u>1965</u>
\$12,500 - \$14,999	7.7	7.4	7.2
15,000 - 17,499	61.8	56.7	35.0
17,500 - 19,999	19.2	24.6	25.6
20,000 - 24,999	10.0	9.2	22.6
25,000 - 29,999	1.3	1.6	5.0
30,000 - 34,999	-	.5	4.6
Total	100.0	100.0	100.0

Source: Annual Unsold Inventory Surveys conducted by the Indianapolis Insuring Office.

FHA Foreclosures and Acquisitions. The number of FHA-insured mortgages terminated by foreclosure has increased continually during the past six years from a level of 24 in 1960 to 275 in 1965. Most of these foreclosures occurred in Lake County, the area of greatest FHA activity.

Data on acquisitions and sales of FHA properties indicate, however, that acquired homes are marketed readily in the area. During the January 1963-May 1966 period, nearly 650 properties were acquired and almost 600 acquired homes were sold.

Outlook. There will continue to be a demand for new and existing sales housing in the HMA during the next two years at about the same level as that of the past few years. Sales activity probably will remain below that of a year ago, however, as available funds continue to be diverted from home mortgage loans to the more attractive commercial and industrial loans. If home mortgage interest rates and discounts become more competitive, sales should pick up significantly. By area, demand will be strongest in the suburban areas contiguous to the three central cities in Lake County and in the northern portion of Porter County.

Rental Market

General Market Conditions. The rental market in the HMA is "tight" at present, i.e., prospective tenants are limited in their choice of accommodations because most projects are almost completely filled. The tightness of the market is evidenced by the current low rental vacancy ratio of 3.1 percent. The main factors contributing to the present firm rental market include the heavy in-migration of population during the past few years in response to increased employment opportunities, and the absorption of hundreds of units by families displaced by urban renewal programs.

The rental market in the central cities is tighter than the market in the remainder of the HMA because of the very small net number of multifamily units added to the inventories of the cities since 1960. During the past six years, a total of around 1,850 multifamily units were completed in the central cities, but this volume is almost completely offset by the demolition of 1,700 rental units over the past six years. Thus, a net of only 150 multifamily units were added to the rental inventories in the central cities since 1960. In the remainder of the HMA, about 1,100 multifamily units were added.

Further evidence of the firmness of the rental market is the fact that the older projects have been able to maintain satisfactory occupancy levels during the past few years, despite the addition of a significant volume of new multifamily units since 1960. A rental survey discussed earlier revealed that vacancies in nearly 1,550 conventionally-financed projects built since 1960 were less than one percent in June 1966. Although this survey was limited in coverage, it is judged that it was fairly representative of the entire rental market.

Some of the well-located older projects which have been well-maintained have been able to command monthly rents which are fairly comparable to those being obtained for the post-1960 rental housing. Of course, some of the older, poorly-maintained projects located in the downtown areas

of the central cities are commanding much lower rents. In projects which were constructed during the 1950-1960 decade, efficiencies typically rent for about \$60 to \$90 a month, one-bedroom units for \$75 to \$110, and two-bedroom units for \$80 to \$135 a month, including some utilities. In this age-class, some of the less-desirable, poorly-located projects are renting for much less. In the many garden-type and three- to four-story elevator apartment projects, built during the last six years, monthly rents range from \$85 to \$105 for efficiencies, \$105 to \$115 for one-bedroom units, \$125 to \$155 for two-bedroom units, and the few three-bedroom units, for \$175 a month, excluding utilities.

Rental Housing Under Construction. At present, there are 635 garden apartments in some stage of construction in the HMA. Approximately 255 of these units are in the Indiana Harbor Urban Renewal Area in East Chicago. Approximately 60 percent of the construction is completed, and the units should be available for occupancy by the end of this year. Another 120 units under construction are located in Hammond in several small projects. These units also should be ready for occupancy before the end of the year. The remaining 260 units presently being built are scattered throughout the rest of the HMA with small concentrations in Gary, Griffith, and Highland. Virtually all of these units will be available before the end of 1966. Other rental projects are being planned.

Urban Renewal

There are six urban renewal projects in the HMA, four in Gary and one each in Hammond and East Chicago. The available data on these projects are summarized below.

The Pulaski Renewal Project (Ind. R-3) covers an area of about 36 acres in Gary, roughly bounded by 15th Avenue on the north, 17th and 21st Avenues on the south, Virginia Street on the west, and Georgia Street on the east. Virtually all of the land in this clearance and rehabilitation project will be used for residential purposes.

Approximately 625 housing units were demolished in the project area, and 520 families have been relocated. About 100 housing units (82 single-family and 22 duplex units) have been constructed; practically all of these units are presently occupied. In addition, some 180 housing units have been rehabilitated and occupied. Nearly half of the redevelopment work is completed and around 110 single-family homes are being considered for construction on the remaining available sites. Final completion of this project is scheduled for December 1967.

The Midtown-West General Neighborhood Renewal Project (Ind. R-54) is the largest program to be undertaken by the Gary Redevelopment Commission. This project, to be split into five distinct stages, covers an area of between 70 and 75 city blocks, bounded roughly by the Elgin, Joliet, and Eastern Railway on the north, Madison Street, 15th Avenue, and the Pennsylvania Railroad on the west, 21st Avenue on the south, and Broadway on the east. The first project to be undertaken is in the northern portion of the area between the Elgin, Joliet, and Eastern Railway and Thirteenth Avenue. The Redevelopment Commission has set a preliminary starting date of January 1967. The predominant re-use of all land in the five projects will be residential. The entire project is still in the planning stage.

The Gateway Project is a privately-financed undertaking of the city of Gary. The area consists of two city blocks in the central business district bounded on the north by Fourth Place and on the south by Fifth Avenue. The purpose of this project is to provide a stimulus for the renovation of the central business district through private means. About 20 housing units were demolished and 11 families were relocated. The proposed re-use of the cleared land is for the establishment of commercial properties.

The Cudahy Project in Gary is another privately-financed project. The area boundaries include the Grand Calumet River on the north, the Elgin, Joliet, and Eastern Railway on the east, First Avenue on the south, and Cline Avenue on the west. The area is zoned for heavy industry and the city demolished about 100 "non-conforming" housing units in the area. Approximately 65 families were relocated. The land is now for sale.

The Turner Urban Renewal Project (Ind. R-37) covers an area of nearly 87 acres in the city of Hammond, bounded by the Grand Calumet River on the north, Calumet Avenue on the east, the Michigan Central Railroad on the south, and Hohman Avenue on the west. Slightly over 69 acres in the project area will be devoted to residential re-use.

Almost 120 housing units have been demolished and 200 families relocated. An additional 250 units are scheduled for demolition and about 180 families will be displaced during the remainder of this year. The re-use plans indicate that 200 public housing units are to be built (reservation approved) in the northwest portion of the project area and as many as 1,200 multifamily units are planned for the southwest and southeast portions. The Hammond Department of Redevelopment is contemplating moderate rentals for most of the multifamily housing to be built. The remaining land in the northeast portion of the project will be developed as a school-park complex.

The Indiana Harbor Urban Renewal Project (Ind. R-1) in East Chicago is the largest renewal area in execution in the HMA, covering approximately 170 acres. The project boundaries include the New York Central Railroad on the northeast, Cline Avenue on the east, generally by 138th and 140th Streets on the south, and Parrish Avenue and Watling Street on the northwest. About 74 acres in the project area will be used for residential purposes, 62 acres for public rights-of-way, 20 acres for industrial use, eight acres for public facilities, and six acres for commercial establishments. Approximately 890 housing units have been demolished in this area since 1960 and about 1,650 units are to be demolished over the next five years. As of June 1, 1966, nearly 670 families have been relocated and about 1,900 additional families are to be displaced by mid-1970.

At the present time, there are approximately 255 moderate rental multi-family units under construction in the project area. Other housing planned for the area includes 450 public housing units, of which 212 units have been approved for construction, and possibly another 130 units of moderate rental housing. Re-use plans call for a total of 1,600 housing units to be built in the area including about 100 single-family homes and 1,500 apartments.

Summation. As can be seen from the preceding discussion, urban renewal activity has been quite extensive in the Gary-Hammond-East Chicago HMA. Such activity has been a dynamic force in the real estate market, and is partially responsible for the improvement in the condition of the inventory and the tightening of the rental market through the demolition of almost 1,400 rental units and over 350 sales units since 1960. While there has been extensive demolition activity in the area, few of the projects have had time to test their success by redeveloping and marketing the cleared renewal sites. In fact, only 280 housing units have been added to the inventory through new construction and rehabilitation and only 255 units are under construction. There are, however, slightly over 400 public housing units approved for construction. When the planned construction is completed, about 3,350 housing accommodations will have been provided in the three central cities. The majority of these units probably will be added after the two-year forecast period, however.

Public Housing

There are 1,687 public housing units in operation in the HMA, of which 1,287 are in Gary and 400 are in Hammond. In addition, there are 1,400 units presently in the planning stage, of which 1,162 have been approved. Of the planned units, 228 are to be built specifically for elderly households.

Public Housing
Gary-Hammond-East Chicago, Indiana, HMA

<u>Area</u>	<u>In operation</u>	<u>Units approved for development</u>	<u>Units planned</u>
Gary	1,287	750	0
Hammond	400	200 ^{a/}	0
East Chicago	0	212 ^{b/}	238
Total	1,687	1,162	238

a/ Includes 120 for the elderly.

b/ Includes 108 for the elderly.

Sources: Local Housing Authorities.

Demand for Housing

Quantitative Demand

Annual demand for additional housing in the Gary-Hammond-East Chicago HMA during the two-year forecast period from June 1, 1966 to June 1, 1968, is based on an expected yearly increase of 2,800 households and on the need to replace a large number of housing units expected to be lost from the inventory. Consideration also is given to the existing tenure composition of households, to the continued trend toward homeownership, and to the number of housing units now under construction in the area.

To accommodate the anticipated increase in the number of households and to allow for expected occupancy and inventory changes, approximately 3,600 additional housing units will need to be added in each of the next two years. This rate of addition is slightly above the 1960-1965 average of about 3,300 units authorized for construction, but represents little change from the 1965 volume of nearly 3,575 units authorized.

Current market conditions indicate that additions to the inventory to meet the anticipated demand should include about 2,600 units of sales housing and 1,000 rental units, excluding public low-rent housing or rent-supplement accommodations.

Qualitative Demand

Sales Housing. Based on current family after-tax incomes, on typical ratios of income to purchase price, and on recent market experience, the annual demand for 2,600 sales units is expected to be distributed by sales price as shown in the following table. During the past few years, few houses have been built to sell for less than about \$12,500. Most of the new construction has been concentrated in the \$15,000 to \$25,000 price range.

Estimated Annual Demand for New Sales Housing by Price Class
Gary-Hammond-East Chicago, Indiana, HMA
June 1, 1966 to June 1, 1968

<u>Price range</u>	<u>Total sales units</u>
Under \$15,000	295
\$15,000 - 17,499	770
17,500 - 19,999	645
20,000 - 24,999	630
25,000 - 29,999	140
30,000 and over	120
Total	2,600

Based on past experience, it is judged that the bulk of the demand should be concentrated in the suburban communities contiguous to the three central cities and in the northern portion of Porter County. A further tightening of the mortgage money situation during the forecast period could result in a volume of construction lower than the estimated demand for 2,600 sales houses. However, the demand estimate represents a pattern of home production which reflects the long-term needs of the area.

Rental Housing. The monthly rentals at which the annual demand for 1,000 net additions to the aggregate rental housing inventory might best be absorbed are indicated for various size units in the table on page 37. 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 minimum gross rents at which new privately-owned rental units can be produced in the HMA at market interest rate financing are approximately \$85 a month for efficiencies, \$105 for one-bedroom units, \$125 for two-bedroom units, and \$145 for three-bedroom units.^{1/} At and above these minimum rents, there is a prospective annual demand for about 640 units.

At the lower rents achievable with below-market-interest-rate financing or assistance in land acquisition and cost, an additional 360 units probably can be absorbed, excluding public low-rent housing and rent-supplement accommodations. However, the location factor is of especial importance in the provision of new units at the lower-rent levels. Families in this user group are not as mobile as those in other economic segments; they are less able or willing to break with established social, church, and neighborhood relationships, and proximity to place of work frequently is a governing consideration in the place of residence preferred by families in this group. Thus, the utilization of lower-priced land for new rental housing in outlying locations to achieve lower rents may be self-defeating unless the existence of a demand potential is clearly evident.

^{1/} Calculated on the basis of a long-term mortgage (40 years) at 5½ percent interest and 1½ percent initial annual curtail; changes in these assumptions will affect minimum rents accordingly.

Estimated Annual Demand for Additional Rental Housing
Gary-Hammond-East Chicago, Indiana, HMA
June 1, 1966 to June 1, 1968

<u>Monthly gross rent^{a/}</u>	<u>Size of unit</u>			
	<u>Efficiency</u>	<u>One bedroom</u>	<u>Two bedroom</u>	<u>Three bedroom</u>
\$ 70 and over	40	-	-	-
75 " "	35	-	-	-
80 " "	30	-	-	-
85 " "	25	410	-	-
90 " " - - - - -	20 - - -	385 - - - -	- - - - -	-
95 " "	15	355	-	-
100 " "	10	325	405	-
105 " "	5	300	375	-
110 " "	-	245	345	-
115 " " - - - - -	- - - - -	190 - - -	-310 - - -	145
120 " "	-	150	280	125
125 " "	-	110	245	110
130 " "	-	80	195	100
135 " "	-	50	150	90
140 " " - - - - -	- - - - -	25 - - -	-115 - - -	80
145 " "	-	-	90	70
150 " "	-	-	65	60
160 " "	-	-	45	50
170 " "	-	-	25	35
180 " "	-	-	-	25

a/ Includes all utilities.

Note: The above figures are cumulative, i.e., the columns cannot be added vertically. For example, demand for one-bedroom units at from \$90 to \$100 a month is 60 units (385 minus 325).

The preceding distributions of average annual demand for new apartments are based on projected tenant-family income, the size distribution of tenant households, and rent-paying propensities found to be typical in the area; consideration also is given to the recent absorption experience of new rental housing. Thus, they represent patterns for guidance in the production of rental housing predicated on foreseeable quantitative and qualitative considerations. Individual projects may differ from the general pattern in response to specific neighborhood or submarket requirements.

The rental demand estimate is substantially above the annual average of about 540 rental units authorized during the 1960-1965 period, but is moderately above the 850 units authorized in 1965. In view of the tight market condition now existing in the area and in view of the large number of families to be displaced by urban renewal programs, rental housing production somewhat in excess of past production volume appears to be warranted. There seems to be a need particularly for additional housing for low- and moderate-income families who now are occupying rental housing which is quite old and which lacks most modern amenities.

Table I

Work Force Components
Gary-Hammond-East Chicago, Indiana, HMA
Annual Averages, 1958-1965
(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>1965</u>	<u>First five months</u>	
									<u>1965</u>	<u>1966</u>
Civilian work force	<u>a/</u>	<u>a/</u>	<u>221.4</u>	<u>215.4</u>	<u>214.0</u>	<u>211.0</u>	<u>219.1</u>	<u>228.6</u>	<u>224.7</u>	<u>225.3</u>
Unemployment	<u>a/</u>	<u>a/</u>	12.2	15.3	14.1	11.0	7.4	7.4	7.1	6.6
Percent of work force	<u>a/</u>	<u>a/</u>	5.5%	7.1%	6.6%	5.2%	3.4%	3.2%	3.2%	2.9%
Agricultural employment	2.7	2.6	2.6	2.6	2.3	2.2	2.0	1.8	1.7	1.6
Nonagricultural employment	<u>195.2</u>	<u>189.6</u>	<u>206.5</u>	<u>197.3</u>	<u>196.9</u>	<u>197.5</u>	<u>209.7</u>	<u>219.0</u>	<u>215.9</u>	<u>217.1</u>
Wage and salary	180.7	175.1	192.0	183.1	182.7	183.3	195.5	204.9	201.8	203.0
Other nonag. employment b/	14.5	14.5	14.5	14.2	14.2	14.2	14.2	14.1	14.1	14.1

a/ Work force and unemployment data for the years prior to 1960 are not comparable because of change in estimating methodology.

b/ Includes the self-employed, unpaid family workers, and domestics.

Note: Subtotals may not add to totals because of rounding and exclusion of persons involved in labor-management disputes.

Sources: Indiana Employment Security Division and U.S. Department of Labor.

Table II

Nonagricultural Wage and Salary Employment by Major Industry
Gary-Hammond-East Chicago, Indiana, HMA
Annual Averages, 1958-1965
(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>1965</u>	<u>First five months</u>	
									<u>1965</u>	<u>1966</u>
Wage and salary employment	<u>180.7</u>	<u>175.1</u>	<u>192.0</u>	<u>183.1</u>	<u>182.7</u>	<u>183.3</u>	<u>195.5</u>	<u>204.9</u>	<u>201.8</u>	<u>203.0</u>
Manufacturing	<u>99.7</u>	<u>94.6</u>	<u>105.9</u>	<u>100.2</u>	<u>99.3</u>	<u>98.9</u>	<u>102.9</u>	<u>106.8</u>	<u>106.1</u>	<u>105.2</u>
Durable	78.0	73.4	84.7	79.9	79.9	80.4	85.1	89.4	88.8	87.9
Nondurable	21.7	21.2	21.2	20.3	19.4	18.5	17.8	17.4	17.3	17.3
Petroleum refining	10.7	10.0	9.7	8.6	8.0	7.3	7.0	6.5	6.6	6.3
Primary metals	58.6	53.7	62.7	59.3	60.2	61.0	65.4	69.2	69.1	67.7
Steel mills	52.5	47.5	56.6	53.5	54.1	54.8	59.0	62.9	62.6	61.2
Fabricated metals ^{a/}	8.9	8.9	9.8	8.9	8.8	8.3	8.0	7.6	7.5	7.6
All other manufacturing	21.5	22.0	23.7	23.4	22.3	22.3	22.5	23.5	22.9	23.6
Nonmanufacturing	<u>81.0</u>	<u>80.5</u>	<u>86.1</u>	<u>82.9</u>	<u>83.4</u>	<u>84.4</u>	<u>92.6</u>	<u>98.1</u>	<u>95.7</u>	<u>97.8</u>
Construction	11.7	9.3	12.1	8.8	7.3	7.9	12.7	13.8	13.6	12.5
Trans., comm., and util.	13.4	13.4	13.3	12.4	12.0	12.0	12.3	12.8	12.3	12.9
Wholesale and retail trade	26.2	27.2	28.6	28.3	29.1	28.9	30.1	32.3	31.1	32.4
Fin., ins., and real estate	4.4	4.6	4.8	4.9	5.0	5.0	5.2	5.3	5.2	5.3
Service and miscellaneous	13.1	13.1	13.8	14.3	14.9	15.3	16.4	17.0	16.7	17.4
Government	12.2	12.9	13.5	14.2	15.1	15.3	15.9	16.9	16.8	17.3

^{a/} Includes, (durable goods) stone, clay and glass, furniture and fixtures, and electrical and nonelectrical machinery; (nondurable goods) food, apparel, printing and publishing, and chemicals.

Sources: Indiana Employment Security Division and U.S. Department of Labor.

Table III

Estimated Percentage Distribution of All Families and Renter Households^{a/}
By Annual Income After Deduction of Federal Income Tax
Gary-Hammond-East Chicago, Indiana, HMA
1966 and 1968

<u>Annual family income</u>	<u>1966</u>		<u>1968</u>	
	<u>All families</u>	<u>Renter households</u>	<u>All families</u>	<u>Renter households</u>
Under \$3,000	8	15	7	14
\$3,000 - 3,999	6	9	6	9
4,000 - 4,999	8	13	7	11
5,000 - 5,999	11	14	10	15
6,000 - 6,999	13	14	13	12
7,000 - 7,999	12	11	11	11
8,000 - 8,999	9	7	10	9
9,000 - 9,999	8	5	9	5
10,000 - 12,499	13	6	13	6
12,500 - 14,999	6	3	7	5
15,000 and over	6	3	7	3
Total	100	100	100	100
Median income	\$7,325	\$5,975	\$7,600	\$6,200

^{a/} Excludes one persons renter households.

Source: Estimated by Housing Market Analyst.

Table IV

Population Trends
Gary-Hammond-East Chicago, Indiana, HMA
April 1, 1950 - June 1, 1966

<u>Area</u>	April 1, 1950	April 1, 1960	June 1, 1966	<u>Average annual change</u>			
				<u>1950-1960</u>		<u>1960-1966</u>	
				<u>Number</u>	<u>Percenta^{a/}</u>	<u>Number</u>	<u>Percenta^{a/}</u>
HMA total	<u>408,228</u>	<u>573,548</u>	<u>636,200</u>	<u>16,532</u>	3.4	<u>10,150</u>	1.7
Lake County	<u>368,152</u>	<u>513,269</u>	<u>560,000</u>	<u>14,512</u>	3.3	<u>7,575</u>	1.4
Gary	133,911	178,320	189,200	4,441	2.9	1,750	1.0
Hammond	87,594	111,698	117,300	2,410	2.5	910	.8
East Chicago	54,263	57,669	55,000	341	.6	-430	-.8
Crown Point	5,839	8,443	10,000	260	3.7	250	2.7
East Gary	5,635	9,309	9,900	367	5.0	100	1.0
Griffith	4,470	9,483	14,200	501	7.5	760	6.5
Highland	5,878	16,284	22,700	1,041	10.2	1,050	5.4
Hobart	10,244	18,680	20,100	844	6.0	230	1.2
Munster	4,753	10,313	13,600	556	7.8	530	4.5
Rest of county	55,565	93,070	108,000	3,751	5.1	2,425	2.4
Porter County	<u>40,076</u>	<u>60,279</u>	<u>76,200</u>	<u>2,020</u>	4.1	<u>2,575</u>	3.8
Valparaiso	12,028	15,227	17,800	320	2.4	400	2.5
Rest of county	28,048	45,052	58,400	1,700	4.8	2,175	4.2

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

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

Table V

Components of Population Change
Gary-Hammond-East Chicago, Indiana, HMA
April 1, 1950-June 1, 1966

<u>Area</u>	<u>Population change</u>	<u>Net natural increase</u>	<u>Net migration</u>	<u>Average annual net migration</u>
<u>HMA total:</u>				
1950-1960	165,320	100,684	64,636	6,475
1960-1966	62,650	62,250	400	75
<u>Lake County:</u>				
1950-1960	145,117	94,657	50,460	5,050
1960-1966	46,750	55,750	-9,000	-1,450
Gary				
1950-1960	44,409	41,008	3,401	340
1960-1966	10,900	21,600	-10,700	-1,725
Hammond				
1950-1960	24,104	15,987	8,117	815
1960-1966	5,600	9,925	-4,325	-700
East Chicago				
1950-1960	3,406	11,771	-8,365	-835
1960-1966	-2,675	5,700	-8,375	-1,350
Rest of county				
1950-1960	73,198	25,891	47,307	4,730
1960-1966	32,925	18,525	14,400	2,325
<u>Porter County:</u>				
1950-1960	20,203	6,027	14,176	1,425
1960-1966	15,900	6,500	9,400	1,525

Sources: 1950-1960 Censuses of Population.
1960-1966 population changes estimated by Housing Market Analyst.
Vital statistics data from the Indiana State Board of Health.

Table VI

Households and Household Size Trends
Gary-Hammond-East Chicago, Indiana, HMA
April 1, 1950 - June 1, 1966

Area	Households			Average annual change				Household size		
	April 1,	April 1,	June 1,	1950-1960		1960-1966		April 1,	April 1,	June 1,
	1950	1960	1966	Number	Percent ^{a/}	Number	Percent ^{a/}	1950	1960	1966
HMA total	113,392	160,395	178,100	4,700	3.5	2,875	1.7	3.49	3.53	3.53
Lake County	102,226	143,688	157,000	4,146	3.5	2,150	1.5	3.50	3.54	3.54
Gary	37,323	50,275	52,700	1,295	3.0	390	.8	3.46	3.52	3.56
Hammond	25,230	32,997	34,900	777	2.7	310	1.0	3.40	3.36	3.34
East Chicago	14,478	16,837	16,650	236	1.5	-30	-.2	3.55	3.37	3.25
Crown Point	1,696	2,411	2,825	72	3.5	65	2.6	3.39	3.46	3.50
East Gary	1,548	2,387	2,550	84	4.3	25	1.1	3.62	3.89	3.88
Griffith	1,137	2,378	3,575	124	7.3	190	6.5	3.91	3.98	3.97
Highland	1,606	4,214	5,875	261	9.6	270	5.3	3.65	3.86	3.86
Hobart	3,050	5,064	5,450	201	5.1	60	1.2	3.36	3.68	3.68
Munster	1,344	2,837	3,750	149	7.5	150	4.5	3.49	3.62	3.61
Rest of county	14,814	24,288	28,725	947	5.0	720	2.7	3.68	3.79	3.72
Porter County	11,166	16,707	21,100	554	4.1	725	3.7	3.42	3.46	3.46
Valparaiso	3,387	4,312	5,000	92	2.4	125	2.4	3.15	3.08	3.02
Rest of county	7,779	12,395	16,100	462	4.6	600	4.2	3.53	3.60	3.60

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

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

Table VII

Housing Inventory, Tenure, and Total Vacancy Trends
Gary-Hammond-East Chicago, Indiana, HMA
April 1, 1950-June 1, 1966

	Lake County						
<u>Inventory and tenure</u>	<u>Gary</u>	<u>Hammond</u>	<u>East Chicago</u>	<u>Rest of Lake County</u>	<u>County total</u>	<u>Porter County</u>	<u>HMA total</u>
<u>April 1, 1950:</u>							
Total housing inventory	38,283	25,745	14,677	27,367	106,072	12,837	118,090
Total occupied	<u>37,323</u>	<u>25,230</u>	<u>14,478</u>	<u>25,195</u>	<u>102,226</u>	<u>11,166</u>	<u>113,392</u>
Owner occupied	19,696	15,796	5,441	19,195	60,128	7,940	68,068
Percent of total occ.	52.8%	62.6%	37.6%	76.2%	58.8%	71.1%	60.0%
Renter occupied	17,627	9,434	9,037	6,000	42,098	3,226	45,324
Percent of total occ.	47.2%	37.4%	62.4%	23.8%	41.2%	28.9%	40.0%
Total vacant	960	515	199	2,172	3,846	1,671	5,517
<u>April 1, 1960:</u>							
Total housing inventory	52,289	33,921	17,475	46,498	150,183	18,857	169,040
Total occupied	<u>50,275</u>	<u>32,997</u>	<u>16,837</u>	<u>43,579</u>	<u>143,688</u>	<u>16,707</u>	<u>160,395</u>
Owner occupied	28,626	22,001	6,016	35,591	92,234	12,911	105,145
Percent of total occ.	56.9%	66.7%	35.7%	81.7%	64.2%	77.3%	65.6%
Renter occupied	21,649	10,996	10,821	7,988	51,454	3,796	55,250
Percent of total occ.	43.1%	33.3%	64.3%	18.3%	35.8%	22.7%	34.4%
Total vacant	2,014	924	638	2,919	6,495	2,150	8,645
<u>June 1, 1966:</u>							
Total housing inventory	54,050	35,750	16,900	56,500	163,200	23,200	186,400
Total occupied	<u>52,700</u>	<u>34,900</u>	<u>16,650</u>	<u>52,750</u>	<u>157,000</u>	<u>21,100</u>	<u>178,100</u>
Owner occupied	30,800	22,850	6,075	44,275	104,000	16,900	120,900
Percent of total occ.	58.4%	65.5%	36.5%	83.9%	66.2%	80.1%	67.9%
Renter occupied	21,900	12,050	10,575	8,475	53,000	4,200	57,200
Percent of total occ.	41.6%	34.5%	63.5%	16.1%	33.8%	19.9%	32.1%
Total vacant	1,350	850	250	3,750	6,200	2,100	8,300

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

Table VIII

Housing Inventory by Type of Structure
Gary-Hammond-East Chicago, Indiana, HMA
April 1960 and June 1966

Date and type of structure	Lake County					Porter County	HMA total
	Gary	Hammond	East Chicago	Rest of Lake County	County total		
<u>April 1960:</u>							
One-family ^{a/}	31,450	24,628	5,809	43,186	105,073	16,891	121,964
Two-family	6,344	4,124	3,574	1,967	16,009	811	16,820
Multifamily	14,494	5,169	8,092	1,345	29,100	1,155	30,255
Total ^{b/}	52,288	33,921	17,475	46,498	150,182	18,857	169,039
<u>June 1966:</u>							
One-family ^{a/}	33,500	25,450	5,850	52,400	117,200	20,900	138,100
Two-family	6,375	4,150	3,575	2,150	16,250	850	17,100
Multifamily	14,175	6,150	7,475	1,950	29,750	1,450	31,200
Total	54,050	35,750	16,900	56,500	163,200	23,200	186,400
<u>Percent of total:</u>							
<u>One-family</u>							
1960	60.2	72.6	33.2	92.9	70.0	89.6	72.2
1966	62.0	71.2	34.6	92.7	71.8	90.1	74.1
<u>Two-family</u>							
1960	12.1	12.2	20.5	4.2	10.6	4.3	9.9
1966	11.8	11.6	21.2	3.8	10.0	3.7	9.2
<u>Multifamily</u>							
1960	27.7	15.2	46.3	2.9	19.4	6.1	17.9
1966	26.2	17.2	44.2	3.5	18.2	6.2	16.7

^{a/} Includes trailers.

^{b/} Differs slightly from the count of all units in these areas because units by type of structure were enumerated on a sample basis.

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

Table IX

Total Housing Units Authorized By Building Permits
By Type of Structure
Gary-Hammond-East Chicago, Indiana, HMA
1960-May 31, 1966

<u>Area and type of structure</u>							<u>Jan. 1- May 31, 1966</u>
<u>Total units:</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>	
HMA total	<u>3,053</u>	<u>3,297</u>	<u>3,228</u>	<u>3,460</u>	<u>3,248</u>	<u>3,569</u>	<u>1,355</u>
Lake County	<u>2,679</u>	<u>2,750</u>	<u>2,505</u>	<u>2,559</u>	<u>2,536</u>	<u>2,627</u>	<u>904</u>
Gary	645	695	544	280	400	495	141
Hammond	236	229	181	624	468	279	97
East Chicago	20	33	84	126	50	257	5
Crown Point	50	88	66	48	118	61	32
East Gary	39	58	30	30	21	10	7
Griffith	336	216	105	115	184	250	116
Highland	350	258	348	225	230	255	171
Hobart	87	74	74	76	43	81	24
Munster	155	139	196	131	156	189	81
Rest of county	761	960	877	904	866	750 ^{a/}	230 ^{a/}
Porter County	<u>374</u>	<u>547</u>	<u>723</u>	<u>901</u>	<u>712</u>	<u>942</u>	<u>451</u>
Valparaiso	52	60	84	131	114	199	47
Rest of county	322	487	639	770	598	743	404
<u>Single-family units:</u>							
HMA total	<u>2,835</u>	<u>3,007</u>	<u>2,765</u>	<u>2,655</u>	<u>2,647</u>	<u>2,719</u>	<u>983</u>
Lake County	<u>2,461</u>	<u>2,462</u>	<u>2,055</u>	<u>1,827</u>	<u>1,968</u>	<u>1,879</u>	<u>692</u>
Gary	643	471	313	276	360	307	137
Hammond	207	201	131	116	98	103	38
East Chicago	20	33	50	29	48	27	5
Crown Point	50	88	66	48	78	61	32
East Gary	39	58	30	30	21	10	7
Griffith	210	206	105	110	151	178	74
Highland	339	253	318	202	201	204	80
Hobart	83	74	74	33	40	64	20
Munster	131	137	113	99	156	189	81
Rest of county	739	941	855	884	815	736 ^{a/}	218 ^{a/}
Porter County	<u>374</u>	<u>545</u>	<u>710</u>	<u>828</u>	<u>679</u>	<u>840</u>	<u>291</u>
Valparaiso	52	60	84	60	91	133	33
Rest of county	322	485	626	768	588	707	258
<u>Multifamily units:</u>							
HMA total	<u>218</u>	<u>290</u>	<u>463</u>	<u>805</u>	<u>601</u>	<u>850</u>	<u>372</u>
Lake County	<u>218</u>	<u>288</u>	<u>450</u>	<u>732</u>	<u>568</u>	<u>748</u>	<u>212</u>
Gary	2	224	231	4	40	188	4
Hammond	29	28	50	508	370	176	59
East Chicago	0	0	34	97	2	230	0
Crown Point	0	0	0	0	40	0	0
East Gary	0	0	0	0	0	0	0
Griffith	126	10	0	5	33	72	42
Highland	11	5	30	23	29	51	91
Hobart	4	0	0	43	3	17	4
Munster	24	2	83	32	0	0	0
Rest of county	22	19	22	20	51	14 ^{a/}	12 ^{a/}
Porter County	<u>0</u>	<u>2</u>	<u>13</u>	<u>73</u>	<u>33</u>	<u>102</u>	<u>160</u>
Valparaiso	0	0	0	71	23	66	14
Rest of county	0	2	13	2	10	36	146

^{a/} Based on incomplete records.

Sources: Bureau of the Census, C-40 Construction Reports; local building inspectors.

Table X

Vacancy Trends
Gary-Hammond-East Chicago, Indiana, HMA
April 1, 1950-June 1, 1966

Vacancy characteristics	Lake County				County total	Porter County	HMA total
	Gary	Hammond	East Chicago	Rest of Lake County			
<u>April 1, 1950:</u>							
Total vacant units	960	515	199	2,172	3,846	1,671	5,517
Available vacant	<u>559</u>	<u>228</u>	<u>73</u>	<u>346</u>	<u>1,206</u>	<u>113</u>	<u>1,319</u>
For sale	174	87	15	241	517	56	573
Homeowner vacancy rate	.9%	.5%	.3%	1.2%	.9%	.7%	.8%
For rent	385	141	58	105	689	57	746
Rental vacancy rate	2.1%	1.5%	.6%	1.7%	1.6%	1.7	1.6%
Other vacant	401	287	126	1,826	2,640	1,558	4,198
<u>April 1, 1960:</u>							
Total vacant units	2,014	924	638	2,919	6,495	2,150	8,645
Available vacant	<u>1,332</u>	<u>634</u>	<u>438</u>	<u>948</u>	<u>3,352</u>	<u>539</u>	<u>3,891</u>
For sale	207	121	26	555	909	203	1,112
Homeowner vacancy rate	.7%	.5%	.4%	1.5%	1.0%	1.5%	1.0%
For rent	1,125	513	412	393	2,443	336	2,779
Rental vacancy rate	4.9%	4.5%	3.7%	4.7%	4.5%	8.1%	4.8%
Other vacant	682	290	200	1,971	3,143	1,611	4,754
<u>June 1, 1966:</u>							
Total vacant units	1,350	850	250	3,750	6,200	2,100	8,300
Available vacant	<u>800</u>	<u>600</u>	<u>100</u>	<u>1,250</u>	<u>2,750</u>	<u>400</u>	<u>3,150</u>
For sale	125	100	25	875	1,125	175	1,300
Homeowner vacancy rate	.4%	.4%	.4%	1.9%	1.1%	1.0%	1.1%
For rent	675	500	75	375	1,625	225	1,850
Rental vacancy rate	3.0%	4.0%	.7%	4.2%	3.0%	5.1%	3.1%
Other vacant	550	250	150	2,500	3,450	1,700	5,150

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

Table XI

Gary-Hammond-East Chicago, Indiana Area Postal Vacancy Survey

June 10-21, 1966

Postal area	Total residences and apartments						Residences						Apartments						House trailers		
	Total possible deliveries	Vacant units				Under const.	Total possible deliveries	Vacant units				Under const.	Total possible deliveries	Vacant units				Under const.	Total possible deliveries	Vacant	
		All	%	Used	New			All	%	Used	New			All	%	Used	New			No.	%
The Survey Area Total	160,282	2,747	1.7	2,314	433	1,697	137,427	1,841	1.3	1,461	380	1,050	22,855	906	4.0	853	53	647	3,650	62	1.7
Lake County	142,026	2,396	1.7	2,056	340	1,294	119,827	1,597	1.3	1,292	305	713	22,199	799	3.6	764	35	581	2,806	52	1.9
Gary	60,575	897	1.5	834	63	233	50,116	624	1.2	567	57	179	10,459	273	2.6	267	6	54	1,637	25	1.5
Main Office	9,034	213	2.4	213	-	-	5,818	20	0.3	20	-	-	3,216	193	6.0	193	-	-	-	-	-
East Gary Branch	3,521	70	2.0	69	1	7	3,521	70	2.0	69	1	7	-	-	-	-	-	-	115	8	7.0
Stations:																					
Brunswick	4,559	85	1.9	79	6	38	4,551	81	1.8	75	6	38	8	4	50.0	4	-	-	546	6	1.1
Glen Park	16,018	216	1.3	193	23	62	15,311	209	1.4	189	20	56	707	7	1.0	4	3	6	866	9	1.0
Miller	5,676	104	1.8	87	17	81	4,996	87	1.7	70	17	33	680	17	2.5	17	-	48	110	2	1.8
Seventeenth Avenue	12,417	110	0.9	103	7	6	7,585	67	0.9	63	4	6	4,832	43	0.9	40	3	-	-	-	-
Tollestons	9,350	99	1.1	90	9	39	8,334	90	1.1	81	9	39	1,016	9	0.9	9	-	-	-	-	-
Hammond	37,210	619	1.7	529	90	392	33,232	278	0.8	211	67	221	3,978	341	8.6	318	23	171	804	23	2.9
Main Office	11,132	244	2.2	236	8	6	9,045	81	0.9	80	1	4	2,087	163	7.8	156	7	2	583	20	3.4
Branches:																					
Highland	5,673	54	1.0	40	14	135	5,583	47	0.8	35	12	83	90	7	7.8	5	2	52	82	3	3.7
Munster	3,752	76	2.0	33	43	90	3,605	63	1.7	20	43	90	147	13	8.8	-	-	-	-	-	-
Stations:																					
Bessville	7,807	177	2.3	157	20	138	6,716	50	0.7	41	9	36	1,091	127	11.6	116	11	102	-	-	-
South Calumet Avenue	8,846	68	0.8	63	5	23	8,283	37	0.4	35	2	8	563	31	5.5	28	3	15	139	-	-
East Chicago	13,450	85	0.6	81	4	270	8,170	33	0.4	29	4	10	5,280	52	1.0	52	-	260	-	-	-
Main Office	1,745	10	0.6	10	-	4	1,628	9	0.6	9	-	2	117	1	0.9	1	-	2	-	-	-
Stations:																					
Chicago Avenue	4,374	66	1.5	66	-	1	2,922	15	0.5	15	-	1	1,452	51	3.5	51	-	-	-	-	-
Harbor	7,331	9	0.1	5	4	265	3,620	9	0.2	5	4	7	3,711	-	-	-	-	258	-	-	-

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 XI (cont'd)

Gary-Hammond-East Chicago, Indiana Area Postal Vacancy Survey

June 10-21, 1966

Postal area	Total residences and apartments						Residences						Apartments						House trailers		
	Total possible deliveries	Vacant units				Under const.	Total possible deliveries	Vacant units				Under const.	Total possible deliveries	Vacant units				Under const.	Total possible deliveries	Vacant	
		All	%	Used	New			All	%	Used	New			All	%	Used	New			No.	%
Other Post Offices	30,791	795	2.6	612	183	399	28,309	662	2.3	485	177	303	2,482	133	5.4	127	6	96	365	4	1.1
Crown Point	8,474	214	2.5	162	52	107	8,054	184	2.3	134	50	93	420	30	7.1	28	2	14	-	-	-
Dyer	1,682	35	2.1	28	7	24	1,662	33	2.0	26	7	24	20	2	10.0	2	-	-	26	1	3.8
Griffith	4,606	73	1.6	39	34	142	4,347	70	1.6	36	34	74	259	3	1.2	3	-	68	70	-	-
Hobart	7,263	194	2.7	129	65	73	6,945	178	2.6	115	63	71	318	16	5.0	14	2	2	226	-	-
Lowell	2,234	180	8.1	162	18	28	2,185	164	7.5	148	16	26	49	16	32.7	14	2	2	11	3	27.3
Schererville	1,039	9	0.9	4	5	13	1,039	9	0.9	4	5	13	-	-	-	-	-	-	-	-	-
Whiting	5,493	90	1.6	88	2	12	4,077	24	0.6	22	2	2	1,416	66	4.7	66	-	10	32	-	-
Porter County	18,256	351	1.9	258	93	403	17,600	244	1.4	169	75	337	656	107	16.3	89	18	66	844	10	1.2
Chesterton	4,230	69	1.6	44	25	102	4,126	41	1.0	23	18	60	104	28	26.9	21	7	42	174	8	4.6
Portage	4,156	34	0.8	28	6	158	4,123	34	0.8	28	6	150	33	-	-	-	-	8	518	-	-
Valparaiso	9,870	248	2.5	186	62	143	9,351	169	1.8	118	51	127	519	79	15.2	68	11	16	152	2	1.3

The survey covers dwelling units in residences, apartments, and house trailers, including military, institutional, public housing units, and units used only seasonally. The survey does not cover stores, offices, commercial hotels and motels, or dormitories; nor does it cover boarded-up residences or apartments that are not intended for occupancy.

The definitions of "residence" and "apartment" are those of the Post Office Department, i.e.: a residence represents one possible stop with one possible delivery on a carrier's route; an apartment represents one possible stop with more than one possible delivery.

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

Table XII

Status of New House Completions in Selected Subdivisions^{a/}Gary-Hammond-East Chicago, Indiana, HMAAs of January 1, 1964, 1965, and 1966

<u>Sales price</u>	<u>Total completions</u>	<u>Pre-sold</u>	<u>Speculative construction</u>			<u>Percent unsold</u>
			<u>Total</u>	<u>Sold</u>	<u>Unsold</u>	
<u>Houses completed in 1963</u>						
\$12,500 - \$14,999	80	66	14	7	7	50.0
15,000 - 17,499	643	521	122	83	39	32.0
17,500 - 19,999	200	147	53	27	26	49.1
20,000 - 24,999	104	50	54	36	18	33.3
25,000 - 29,999	<u>14</u>	<u>5</u>	<u>9</u>	<u>9</u>	<u>0</u>	<u>-</u>
Total	1,041	789	252	162	90	35.7
<u>Houses completed in 1964</u>						
\$12,500 - \$14,999	82	68	14	14	0	-
15,000 - 17,499	625	468	157	134	23	14.6
17,500 - 19,999	271	188	83	68	15	18.1
20,000 - 24,999	102	52	50	36	14	28.0
25,000 - 29,999	18	13	5	3	2	40.0
30,000 - 34,999	<u>5</u>	<u>4</u>	<u>1</u>	<u>0</u>	<u>1</u>	<u>100.0</u>
Total	1,103	793	310	255	55	17.7
<u>Houses completed in 1965</u>						
\$12,500 - \$14,999	79	67	12	10	2	16.7
15,000 - 17,499	387	288	99	88	11	11.1
17,500 - 19,999	283	232	51	37	14	27.5
20,000 - 24,999	249	184	65	44	21	32.3
25,000 - 29,999	55	33	22	14	8	36.4
30,000 - 34,999	<u>51</u>	<u>40</u>	<u>11</u>	<u>8</u>	<u>3</u>	<u>27.3</u>
Total	1,104	844	260	201	59	22.7

^{a/} Selected subdivisions are those with five or more completions during the year.

Source: Annual Unsold Inventory Survey conducted by the Indianapolis Insuring Office.

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