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Hamilton-Middletown, Ohio
1965

Analysis of the
**HAMILTON - MIDDLETOWN, OHIO,
HOUSING MARKET**

as of August 1, 1965

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

March 1966

ANALYSIS OF THE
HAMILTON-MIDDLETOWN, OHIO, HOUSING MARKET
AS OF AUGUST 1, 1965

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FIELD MARKET ANALYSIS SERVICE
FEDERAL HOUSING ADMINISTRATION
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Foreword

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

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

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

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ANALYSIS OF THE
HAMILTON-MIDDLETOWN, OHIO, HMA
AS OF AUGUST 1, 1965

Summary and Conclusions

1. The economy of the Hamilton-Middletown HMA is oriented to that of the entire Miami River Valley, with Hamilton more closely allied to Cincinnati to the south and Middletown having closer ties with Dayton in the north (see map, page 3). As of July 1965, nonagricultural wage and salary employment in the HMA totaled 61,600, as compared with an estimated 76,000 employed residents of the HMA. Manufacturing employment in the HMA, (which is nearly half of the nonagricultural wage and salary total) is concentrated in steel and paper production and tends to fluctuate with changes in the national economy. Over the 1956-1963 period, manufacturing employment (as measured by the number of manufacturing workers covered by the Ohio Unemployment Compensation Law) steadily declined from 34,500 in 1956 to 25,775 in 1963. The addition of 875 manufacturing workers in 1964 (to average 26,650 for the year) represents the first sizable gain in manufacturing employment in the past eight years, and indicates improved economic conditions since 1963.

Unemployment in the HMA averaged 3.8 percent of the civilian work force in July 1965. Over the past two years, the unemployment rate has steadily decreased from 6.9 percent in the last two months of 1963 (averaging 5.7 percent for 1964) to 4.3 percent for the first seven months of 1965.

2. The current median annual income in the HMA, after the deduction of Federal income tax, is \$7,750 for all families and \$6,200 for renter families. By 1967, it is expected that family incomes will increase four percent annually to reach a median after-tax level of \$8,325 for all families and \$6,675 for renter families.
3. As of August 1, 1965, the population of the Hamilton-Middletown HMA is approximately 220,100, representing an annual increase of 3,950 (two percent) since April 1, 1960. By August 1967, the population is expected to reach 227,800, an annual gain of 3,850 (1.8 percent) over the two-year forecast period.
4. Currently, there are 60,950 households in the HMA, an annual increase of 920 or 1.7 percent since 1960. By August 1, 1967, the number of households in the HMA is expected to total 63,050 for an average addition of 1,050 (1.7 percent) a year.
5. There are 63,650 housing units in the HMA at the present time, representing a net addition of about 960 units annually (1.6 percent) since April 1960. About 5,750 dwelling units were

authorized by building permits over the January 1, 1960 to December 31, 1964 period (averaging 1,150 units annually between 1960 and 1964) and 850 units have been authorized in the past seven months. Currently, there are 610 units under construction in the HMA, including 290 single-family homes and 320 multi-family units. The volume of residential demolitions over the past five years has been relatively high, at 920 units, with over half of these (520 residences) attributed to urban renewal activity.

6. After several years of excess sales vacancies, it is judged that the current 1.4 percent homeowner vacancy rate (600 vacant available sales units) and 5.3 percent renter vacancy rate (1,050 vacant available rental units) indicate a reasonable balance in the sales and rental markets.
7. The volume of privately-owned net additions to the housing supply needed to meet requirements of anticipated growth over the forecast period and maintain an acceptable demand-supply balance in the housing market is forecast at 1,000 sales units and 280 rental units annually, excluding public low-rent housing and rent-supplement accommodations. Sales demand by price classes is expected to approximate the pattern on page 24; rental demand distributed by rent levels and unit size is expected to approximate the pattern on page 25.
8. As a portion of the annual rental demand, it is estimated that 30 units of rental housing designed specifically for elderly occupancy could be absorbed in the HMA. The demand for nursing care facilities is projected at 700 nursing care beds, but much of this demand is now being met by "unsuitable" facilities. Additional facilities should be provided in small increments in order to test the actual demand for new facilities.

ANALYSIS OF THE
HAMILTON-MIDDLETOWN, OHIO, HOUSING MARKET
AS OF AUGUST 1, 1965

Housing Market Area

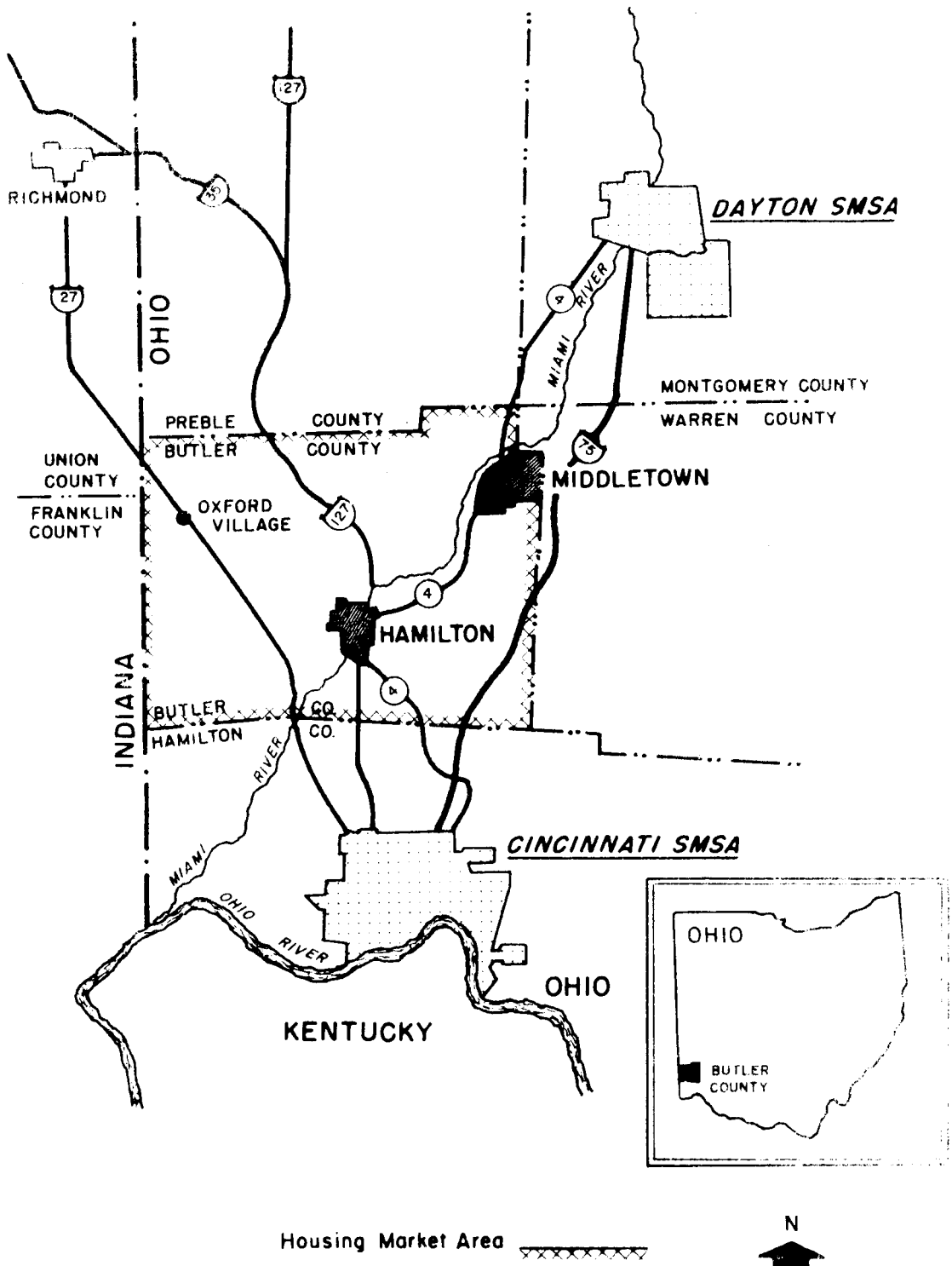
For purposes of this report, the Hamilton-Middletown, Ohio, Housing Market Area (HMA) is defined as Butler County, Ohio. This definition conforms to the Hamilton-Middletown Standard Metropolitan Statistical Area (SMSA) as defined by the U.S. Bureau of the Budget and corresponds to that used in previous FHA analyses. As shown on the map on the following page, Butler County is part of the southwest Ohio urban complex, which includes the Dayton SMSA to the northeast and the Cincinnati SMSA directly south. Although the economy of Butler County is based on industrial developments in the principal cities and activity connected with Miami University at Oxford, the area maintains close economic ties with the larger metropolitan areas to the north and south, with Hamilton being closely allied to Cincinnati (22 miles south) and Middletown having closer ties with Dayton (28 miles north). The completion of the Cincinnati-Dayton highway (Interstate 75) through the HMA has strengthened these ties by making the traveling time between Hamilton and Cincinnati or Middletown and Dayton 30 minutes or less.

Other primary highway facilities in the HMA which pass through or near Hamilton include Ohio Route 4, connecting the two principal cities, U.S. 27 through Oxford to Richmond, Indiana, and U.S. 127 from Cincinnati through Hamilton to northern points in Ohio. Rail transportation is provided by the New York Central, the Baltimore and Ohio, and the Pennsylvania Railroads, with the latter two offering passenger service. Air transportation is provided at the Dayton Municipal Airport and Greater Cincinnati Airport.

Commutation data compiled by the U.S. Bureau of the Census in 1960 indicate daily net out-commutation of nearly 3,700 workers and reflect the participation of Butler County residents in the larger economic area. In 1960, about 7,725 Butler County residents were employed outside the HMA, with 5,425 (70.2 percent) working in the Cincinnati SMSA and 1,225 (15.9 percent) working in the Dayton SMSA. The remaining 1,075 Butler County residents worked in other nearby counties of Ohio and Indiana. According to the census data, 4,050 nonresident workers commuted to places of work in Butler County with about 2,350 of these residing in the Cincinnati SMSA, 950 in the Dayton SMSA, and 750 living in other nearby counties.

The HMA may be divided into a number of sub-market areas. These include the Hamilton area which consists of the city of Hamilton and environs, including Fairfield City and New Miami Village; the city of Middletown and its immediate environs; the village of Oxford; the area in the southern part of the county which is rapidly becoming part of the Cincinnati suburban area, primarily Union Township; and the remaining rural area in which there has been little activity. In 1960, Butler County had a population of 199,100, of which the rural farm population constituted 3.1 percent (6,075 persons). Inasmuch as the rural farm segment constitutes a small portion of the total population, all demographic and housing data used in this analysis refer to the total of farm and nonfarm data.

HAMILTON - MIDDLETOWN, OHIO HOUSING MARKET AREA, (BUTLER COUNTY)



Economy of the Area

Character and History

The industrial and urban growth of the HMA can be attributed to its location in the Miami River Valley--historically the main passageway from Lake Erie to the Ohio River. Fertile farmlands encouraged initial settlement and the plentiful water supply contributed to early development of steel and paper industries. The necessary transportation facilities for industrial growth were provided after 1820 with the building of the Miami-Erie Canal in 1827 and the coming of the railroad after 1840. Further economic growth was stimulated in the northwest corner of the HMA at Oxford Village with the establishment of Miami University in 1809 and Western College for Women in 1853. Currently, the economy of the HMA remains closely tied with that of the entire Miami Valley, although the principal cities exhibit divergent economic bases. Hamilton is the county seat, as well as the commercial, trade and service center in the HMA; Middletown is an industrial city, economically dependent on the steel and paper industries; Oxford remains a small college community.

Employment

Current Estimate. As of July 1965, nonagricultural wage and salary employment in the HMA totaled 61,600, including 28,800 manufacturing workers (about 47 percent of the total) and 32,800 nonmanufacturing workers. Employment data appearing subsequently represent workers covered under the Ohio Unemployment Compensation Law, which is about 75 percent of nonagricultural wage and salary employment in the HMA. Although these data do not represent total employment in the area, they do provide indications of employment trends by industry.

Past Trend. The number of workers covered by the Ohio Unemployment Compensation Law averaged 45,050 for 1964, representing a gain of 1,575 (3.6 percent) above the 1963 average of 43,475. In the 1960-1963 period, however, employment in the HMA declined by 4,800, an annual average decrease of 1,600 or three percent. Since manufacturing in the area is concentrated in the production of durable goods, employment tends to vary with fluctuations in the national economy. During the three years, the area was affected by the 1960-1961 national recession as well as organizational changes, plant closings, and transfers from Hamilton plants to areas outside the HMA. These plant closings, which were concentrated in the Hamilton area, resulted in the direct loss of 2,400 jobs.

Over the 1956 to 1964 period, the peak was the 1956 employment level of 52,850. Employment declined by about 5,050 to 47,800 in 1958, a national recession year. The 1958-1959 gain of 1,700 was partially offset by the 1,200-job decline to a 48,300 total in 1960. **In spite of the annual gains of 1,700 in 1959 and 1,575 in 1964, the net decline in employment averaged 975 annually from 1956 to 1964 (see table I).**

Employment by Industry. Durable goods production has consistently accounted for over 65 percent of manufacturing employment in the HMA since 1958, and is responsible for employment fluctuations in the area, in large part. In the primary and fabricated metals industries, which provided 50 percent of manufacturing employment in 1963, employment has ranged from a 1956-high of 15,675 to a 1958 recession total of 12,550 and to 13,150 in 1960. Between 1961 and 1963, employment in metal industries has varied slightly, from 12,400 in 1961 to 12,900 in 1963. Paper production is the only significant nondurable goods manufacturing industry in the HMA, with 6,650 employees (26 percent of manufacturing employment) in 1963. Employment in the paper industry has steadily decreased from a 1959-high of 8,150 to the 1963 total of 6,650, averaging yearly declines of about 375 or five percent. Employment in nonmanufacturing industries, which responds to changes in manufacturing employment, exhibited smaller fluctuations over the past seven years, ranging from 17,575 in 1958 to the 1960-high of 18,625 (an average annual increase of 525 or nearly three percent). From 1960 to 1963, non-manufacturing employment declined by 1,000, an annual average decrease of about 330 or 1.8 percent. The 1964 total of 18,400 represents an annual gain of 775 (4.4 percent) over 1963 and indicates improved economic conditions since 1963. 1964 data are not yet available for individual industries.

Principal Employment Sources. The following table shows employment for the major manufacturers in the HMA for 1960 and 1963, as reported to the Ohio Department of Industrial Relations. As the table indicates, the Armco Steel Corporation is the largest single employer in the HMA, employing 33 percent of all manufacturing workers in July 1965. Armco's employment has increased by 2,000 since 1963, when the company announced a \$300 million expansion program in Middletown, which will include construction of a modern steel mill and result in an expected increase of 1,000 production workers by 1970. Armco's employment increases in the past two years reflect not only the rising national economy but also centralization of professional and technical staffs at the corporate headquarters in Middletown.

Employment at Fisher Body Division and Mossler Safe Company, both located in Hamilton, has remained fairly steady since 1960. Champion Paper and Fibre Company, also located in Hamilton, is the largest of 13 paper-producing concerns in the HMA. Net declines in employment at Champion totaled 1,825 between 1960 and 1963. Reductions in force at Champion Paper Company in the early 1960's were accompanied by other job losses in Hamilton resulting from organizational changes, plant closings, and job transfers. Employment at Champion is believed to have increased since 1963.

Employment Trends of Major Manufacturers
Hamilton-Middletown, Ohio, HMA
1960, 1963, and 1965

<u>Name of firm</u>	<u>Location</u>	<u>Number of employees^{a/}</u>		
		<u>1965</u>	<u>1963</u>	<u>1960</u>
Armco Steel Corporation	Middletown	9,400	7,400	6,900
Champion Paper and Fibre Company	Hamilton	N.A.	2,325	4,150
Fisher Body Division				
General Motors Corp.	Hamilton	N.A.	3,000	3,050
Mossler Safe Company	Hamilton	N.A.	1,225	1,150

^{a/} Rounded to the nearest 25 employees.

Source: Armco Steel Corporation and 1961 and 1964 Directory of Ohio Manufacturers published by the Ohio Department of Industrial Relations.

Participation Rate. The employment participation rate (the ratio of employed persons resident in the HMA per 100 population) has remained steady at 34.5 in recent years, indicating expanding employment of those residing in the HMA despite fluctuations in the local economy. This reflects not only daily out-commutation of area residents, but also the development of parts of southern Butler County as a Cincinnati suburb. Currently, an estimated 76,000 employed persons reside in Butler County, representing an annual average gain of 1,450 (2.1 percent) over the 1960 total of 68,700. In the 1950-1960 decade, employment among residents expanded by 1,575 annually, or three percent per year.

The expansion of employment among residents of the HMA despite downward fluctuations in the economy is attributable to the close economic ties of the entire Miami Valley. The construction of Interstate 75 from Dayton to Cincinnati through the HMA has offset the economic decline in the Hamilton area for example, by making the larger urban areas (Dayton and Cincinnati) possible sources of employment for Hamilton residents.

Unemployment

Unemployment in the Hamilton-Middletown, Ohio, HMA totaled 2,800 in July 1965 or 3.8 percent of the civilian work force. This represents a declining unemployment rate since November 1963, when **the series of unemployment data was initiated.** The unemployment rate has steadily decreased from 6.9 percent (5,000) in the last two months of 1963 (averaging 5.7 percent in 1964 or 4,000 workers) to 4.3 percent (3,100) for the first seven months of 1965. The continued decline in the unemployment rate reflects rehiring of workers after the 1962 recession as well as plant expansion in Middletown. The loss of 6,000 jobs in Hamilton in the 1960-1962 period has not been offset since that time.

Future Employment

During the 1965-1967 projection period, employment gains are expected to average 1,100 annually, similar to employment growth since 1963. As in the past two years, economic growth of the area will be either directly or indirectly attributable to Armco's expansion at Middletown, with some gains also registered in the nonmanufacturing sector.

Income

Manufacturing Wages. Comparisons of average weekly wages of manufacturing workers in Butler County, Cincinnati, Dayton, and the State of Ohio, show manufacturing wages to be consistently higher in the HMA, but increasing at a slightly slower rate than in the larger cities. The average annual increase in manufacturing wages from 1960 to 1963 was 3.3 percent for Butler County, as compared with 3.4 percent for Cincinnati and Dayton, and 3.1 percent for Ohio. The higher earnings of those employed in Butler County reflect in part a discrepancy in the data (comparison of all manufacturing workers in Butler County with manufacturing production workers in other areas) but is also attributed the predominance of the high-paying steel industry in Middletown.

Average Weekly Earnings of Manufacturing Workers
Butler County, Cincinnati, Dayton, and Ohio
1959-1964

<u>Year</u>	<u>Butler^{a/}</u> <u>County</u>	<u>Cincinnati</u>	<u>Dayton</u>	<u>Ohio</u>
1959	\$128	\$ 96	\$109	\$103
1960	132	99	112	104
1961	136	103	115	107
1962	143	107	121	113
1963	145	110	125	116
1964	150	N.A.	N.A.	N.A.

a/ Manufacturing employees covered by Ohio Unemployment Compensation Law.

Source: Ohio Bureau of Unemployment Compensation and United States Department of Labor.

Family Incomes. A detailed distribution of all and renter families by income classes for 1965 and 1967 is presented in table II and indicates the current median family income in the HMA to be \$7,750 after the deduction of Federal income tax. The median renter-family income is \$6,200 at present. As the table indicates, ten percent of all families and 15 percent of renter families earn after-tax incomes of less than \$3,000. Another 28 percent of all families in the HMA and 14 percent of renter families enjoy after-tax incomes of \$10,000 or more. By 1967 the median family after-tax income will reach \$8,325, while that for renter-families will equal \$6,675, both increasing almost four percent annually over their respective 1965 levels.

The disparity of incomes in the principal cities and the predominance of the high-paying steel industry in Middletown is emphasized in the table below which shows the current median incomes to be \$1,000 for all families and \$800 higher for renter families in Middletown than comparable incomes in Hamilton. Current family after-tax income is \$8,375 at the median in Middletown, while renter-family income is \$6,725; comparable incomes in Hamilton are \$7,375 for all families and \$5,925 for renter families. By 1967 Middletown median family incomes will reach \$9,000 for all families and \$7,225 for renter families; after-tax family incomes in Hamilton are expected to be \$7,925 and \$6,375 for all and renter families, respectively.

Median Family Incomes
Hamilton-Middletown, Ohio, HMA
August 1965 and August 1967

	<u>All family income^{a/}</u>		<u>Renter family income^{a/}</u>	
	<u>1965</u>	<u>1967</u>	<u>1965</u>	<u>1967</u>
Butler County	\$7,750	\$8,325	\$6,200	\$6,675
Hamilton	7,375	7,925	5,925	6,375
Middletown	8,375	9,000	6,725	7,225

a/ After the deduction of Federal income tax.

Source: Estimated by Housing Market Analyst.

Demographic Factors

Population

Current Estimate. As of August 1, 1965, the population of the Hamilton-Middletown HMA is 220,100, a gain of 3,950 (two percent) annually since April 1, 1960. The city of Hamilton has a current population of 72,550, a total gain of 200 (0.3 percent) over the five years. The population of Middletown currently totals 44,800, representing an annual growth of 500 or 1.2 percent since April 1960. In Oxford the current population, including over 10,000 students, is about 13,250, an annual addition of 1,025, or 13 percent, since the 1960 census. The slow rate of growth in Hamilton since 1960 reflects the lack of employment opportunities there as well as the general trend toward out-migration from the central city. In Fairfield City and New Miami Village, which are contiguous to Hamilton, the combined population growth since 1960 averaged 580 annually. Throughout the remainder of the county, the population has increased from 64,700 in April 1960 to 74,300 in August 1965, for a 1,800 annual population increase or 2.8 percent per year. Population growth trends since 1950 are shown in greater detail in table III.

Past Trend. During the April 1, 1950-April 1, 1960 decade, the population of the HMA increased by nearly 5,200 persons annually (3.5 percent per year) from 147,200 in 1950 to 199,100 in April 1960. While both Hamilton and Middletown registered population gains over the decade, it was virtually all the result of annexation activity. Population growth in Oxford amounted to less than 90 per year (1.3 percent) from 1950 to 1960, when college enrollment increases were nominal.

Future Population. Based on expected employment increases as well as past trends in population growth, the Hamilton-Middletown HMA population is expected to reach 227,800 by August 1967, representing an annual gain of 3,850 (1.8 percent) over the two years. Reflecting the trend toward migration to the suburbs, the population in Hamilton will increase only slightly, to 72,600 by 1967. With large employment gains during the forecast period expected in Middletown, the annual population growth of 750 or 1.7 percent will be above that of the 1960-1965 period, so that the population of Middletown will reach 46,300 by August 1967. In Oxford the total population will rise to 14,450, an annual increase of 600 or 4.5 percent, as school enrollment gains are expected to taper off slightly.

Net Natural Increase and Migration. The components of population change in an area are the result of net natural increase (the difference between the number of births and deaths) and net migration. In the 1950-1960 decade the net change in population of 51,875

consisted of a net natural increase of 32,314 (nearly 3,250 annually) and a net in-migration of 19,559 (over 1,950 a year), with net in-migration accounting for about 38 percent of the decennial population growth. Since April 1960, net natural increase has averaged 3,025 annually, slightly below that of the previous decade, reflecting a national trend toward a declining birth rate. Net in-migration has also declined in the past five years, to average 925 annually, accounting for over 23 percent of the population growth. The following table shows the components of population change in the HMA since 1950.

Components of Population Change
Hamilton-Middletown, Ohio, HMA
April 1950-August 1965

<u>Components</u>	<u>Average annual change</u> <u>April 1950-April 1960</u>	<u>Average annual change</u> <u>April 1960-August 1965</u>
Net natural increase	3,250	3,025
Net in-migration	1,950	925
Percent increase due to migration	37.5%	23.4%
Net change	5,200	3,950

Source: U.S. Bureau of the Census, Ohio Department of Health, and estimates by Housing Market Analyst.

Age Distribution. Distribution of the 1950 and 1960 populations by age groups, shown in table IV, indicate that the under-20 age group is the most rapidly growing segment of the population. In the ten-year period, the number under 20 years of age increased by nearly 30,100 or 58.4 percent. This annual growth rate of six percent in the younger segments reflects the increase in birth rate in the post-World War II period. The increase of less than three percent in the 20-29 category reflects the reduced birth rate between 1925 and 1940. All categories over 40 years of age exhibited increases of 25 percent or more in the decade, with those over 69 years of age increasing in number of 2,300 or nearly 35 percent in the 10 years.

Households

Current Estimate. As of August 1, 1965, there are 60,950 households in the Hamilton-Middletown HMA. Since April 1, 1960, households have increased at an average rate of 920 (1.7 percent) annually. The number of households in Hamilton currently totals 21,900, a net household gain of about 50 since 1960; in Middletown, there are 13,750 households currently, an annual average addition of 150 (1.2 percent) since April 1960. Household growth in Oxford has averaged 90 annually over the five-year period for a growth rate

of nearly six percent. Fairfield and New Miami, together, had an annual household growth of 150 a year since April 1960. Household growth in the remainder of the HMA has averaged 520 a year (3.2 percent) as the number of households increased from 16,550 in April 1960 to nearly 19,350 in August 1965. Household growth trends for the HMA since 1950 are shown in greater detail in table V.

Past Trend. The number of households in the HMA increased from 41,125 in 1950 to 56,025 in 1960. This represents an annual average addition of nearly 1,500 (3.6 percent) over the decade, higher than the household growth level registered in the 1960-1965 period. Part of the large growth in households in the earlier period is attributable to a census definitional change from "dwelling unit" in 1950 to "housing unit" in 1960. A large part of the household growth in the two principal cities over the decade was the result of numerous land annexations. In Oxford the number of households increased by over 30 a year (2.6 percent) during the decade from 1,200 in 1950 to about 1,525 in 1960.

Household Size Trends. The average size of all households in the HMA is estimated at 3.43 persons currently, reversing the 1950-1960 trend, when the number of persons per household increased from 3.43 to 3.44. Household size in the principal cities has consistently been smaller than this average, with the household size currently at 3.26 for Hamilton and 3.22 for Middletown. Cities typically average a smaller household size due to a higher percentage of one and two person households. Suburban households, which are characterized by a high proportion of owner-occupancy and a large number of young married couples with children, are typically larger. Currently, households outside the two cities contain an estimated 3.69 persons per household.

Future Households. Based on population increments expected during the next two years and the average household size in the area, the number of households is expected to reach 63,050 by August 1967. This household growth represents an average addition of 1,050 new households (1.7 percent) annually. Household growth patterns during the projection period are expected to be similar to those of the past five years, with the number of households in Hamilton increasing by 25 annually to total 29,950 by 1967, and household growth in Middletown projected at 250 annually (1.8 percent) over the two years. In Oxford about 100 households will be added each year for an estimated five percent annual increase. Household growth in the remainder of the HMA, which will occur primarily in other villages and townships throughout the HMA, is expected at 510 a year for a 2.6 percent growth rate.

Housing Market Factors

Housing Supply

Current Estimate. As of August 1, 1965, the housing inventory of the Hamilton-Middletown HMA totals 63,650 units, an average gain of 960 units (1.6 percent) annually since April 1960. In Hamilton, the housing stock has remained fairly steady at 22,850 units, new construction balancing the large volume of residential demolitions. The number of units in the Hamilton urbanized area, which includes the adjoining areas of Fairfield City and New Miami Village, is currently 29,600 units (as compared with less than 27,400 units in April 1960). The current housing inventory in the Hamilton urbanized area representing a net gain of 420 units annually (1.5 percent per year) since April 1960. The housing stock in Middletown totals 14,350 units, representing an annual increase of about 170 units (1.2 percent) over the 1960 total of 13,500. In other portions of the housing market, the current housing inventory totals about 19,700 units, a net addition of 380 units since April 1960.

Past Trend. During the April 1950 to April 1960 period, the housing stock increased by over 1,625 units (3.9 percent) annually, from 42,175 in April 1950 to 58,550 in April 1960. Over half of the growth in the housing supply between 1950 and 1960 was registered in the principal cities and is attributed to residential construction as well as land annexations over the decade. In the city of Hamilton, the housing inventory increased from 17,650 in April 1950 to 22,775 in 1960, a net addition of 510 units or 2.9 percent annually. In Middletown, the number of housing units increased from 9,950 in 1950 to 13,500 in 1960, an annual increase of 350 or 3.5 percent during the decade. The following table indicates the growth in the Hamilton-Middletown housing supply since April 1950.

Growth in Housing Inventory
Hamilton-Middletown, Ohio, HMA
1950, 1960, and 1965

<u>City or area</u>	<u>April</u> <u>1950</u>	<u>April</u> <u>1960</u>	<u>August</u> <u>1965</u>	<u>Average annual change</u>			
				<u>1950-1960</u>		<u>1960-1965</u>	
				<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
<u>HMA total</u>	<u>42,173</u>	<u>58,544</u>	<u>63,650</u>	<u>1,637</u>	<u>3.9</u>	<u>960</u>	<u>1.6</u>
Hamilton	17,637	22,761	22,850	512	2.9	20	0.7
Middletown	9,954	13,474	14,350	352	3.5	170	1.2
Remainder of HMA	14,582	22,309	26,450	773	5.3	770	3.5

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

Characteristics of Housing Supply

Type of Structure. Since 1960, single-family residences have comprised over 80 percent of housing inventory, indicating the relative importance of owner-occupancy in the HMA, as well as the lack of multifamily construction until recent years. As shown in the table below, the ratio of one-unit structures to the total housing supply has declined somewhat from 83.2 percent (48,700 units) in 1960 to 82.8 percent (52,700 units) in 1965. At the same time, structures containing two-to-four units decreased slightly from 12.3 percent of the inventory in April 1960 to 11.6 percent currently. Reflecting the number of multifamily units constructed recently, the proportion of structures containing five or more units has increased from 2.8 percent (1,650 units) to four percent (2,550 units) of the housing supply.

Housing Inventory by Units in Structure Hamilton-Middletown, Ohio, HMA April 1, 1960 and August 1, 1965

<u>Type of structure</u>	<u>HMA total</u>			
	<u>April 1, 1960</u>		<u>August 1, 1965</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
1-family	48,714	83.2	52,700	82.8
2-family	4,642	8.0	4,825	7.6
3 and 4 family	2,519	4.3	2,550	4.0
5 or more	1,651	2.8	2,550	4.0
Trailer	<u>1,018</u>	<u>1.7</u>	<u>1,025</u>	<u>1.6</u>
Total	58,544	100.0	63,650	100.0

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

Age of Structure. Currently, over 40 percent of the housing stock is at least 35 years old, indicating that over 25,850 units in the HMA were built prior to 1930. Housing units built between 1950 and 1960 (18,650 units) account for nearly 30 percent of the current housing stock, reflecting the large volume of residential construction in the 1950's. The number of units built after 1960 currently accounts for over nine percent of the housing supply. The following table indicates the relative age of the current housing inventory. It should be noted, however, that the basic data utilized in this table reflects an unknown degree of error occasioned by inaccuracy of response to enumerators' questions as well as errors caused by sampling.

Distribution of the Housing Supply by Year Built
Hamilton-Middletown, Ohio, HMA
August 1, 1965

<u>Year built</u>	<u>Number of units</u>	<u>Percentage distribution</u>
April 1960 - August 1965	5,950	9.3
1955 - March 1960	9,950	15.6
1950 - 1954	8,675	13.6
1940 - 1949	7,100	11.2
1930 - 1939	6,100	9.6
1929 or earlier	<u>25,875</u>	<u>40.7</u>
Total	63,650	100.0

Source: Estimated by Housing Market Analyst, based on 1960 Census of Housing, adjusted for new construction and demolitions since April 1960.

Condition of the Inventory. Of 63,650 housing units currently in the HMA, about 9,550 units are dilapidated or lacking one or more plumbing facility. That is, 15 percent of the housing inventory can be classified as substandard at the present time. This indicates an improvement in the quality of housing since April 1960, when over 10,150 units, 17 percent of the housing stock, were classified as substandard. Of the 10,150 substandard units in 1960, the city of Hamilton accounted for 3,175 (14.0 percent of the Hamilton inventory) and Middletown accounted for 1,775 (13.2 percent of the housing stock of Middletown). The improvement in the condition of the housing since 1960 is attributed to the large number of demolitions associated with urban renewal programs in the principal cities.

Value and Rent. The median value of owner-occupied units in the HMA was reported by the 1960 Census of Housing to be \$13,300. In Hamilton, the median value of owner-occupied units was slightly lower at \$12,800 as compared with \$14,000 median value in Middletown. Of all renter-occupied units in the HMA, the median 1960 gross monthly rent was \$76, with the median at \$73 in Hamilton and \$79 in Middletown.

Residential Building Activity

Past Trend. During the January 1960 to December 1964 period, a total of 5,750 dwelling units have been authorized by building permits in the HMA, averaging 1,150 units annually. Building permit authorizations for new dwelling units (which represent virtually all residential construction in the HMA) indicate that the annual volume of home building activity since 1960 has been below that of previous decade. From 1950 to 1960 residential construction fluctuated from a 1954-high of

2,275 units to a 1957-low of 1,375 (1,125 privately-financed permit authorizations) to average 1,475 units annually over the decade. Nearly all privately-financed permit authorizations from 1950 to 1960 were for single-family homes. A comparison of new dwelling units authorized by building permits since 1955, as shown in table VI, reveals a general decline in housing construction in the HMA, and hence in single-family units, but fails to reveal the recent emphasis on multifamily home building in portions of the housing market. From 1955 to 1960, about 1,550 single-family homes were authorized yearly, as compared with an average of 990 single-family units annually in the 1960-1964 interval. At the same time, however, the number of privately-financed multifamily units authorized annually has increased substantially from less than 50 units in the 1955-1960 period to an average of 160 units annually in the 1960-1965 period. In 1964, 420 privately-financed units were authorized for multifamily construction, representing the all-time high in multifamily permit authorizations in the HMA (see table on the following page).

In Hamilton an average of 120 units has been authorized annually over the 1960-1964 period (primarily for single-family homes), as compared with 370 annually from 1955 up to 1959. In Middletown, residential construction has remained at the same level over the past ten years, as the number of private units authorized averaged 220 annually in the 1960-1964 period, and 220 units annually in the 1955 to 1959 interval. The steady rate of construction in Middletown includes a shift toward multifamily construction since 1960 in the city, as compared with virtually all single-family home building perviously. In Oxford, about 95 units have been authorized annually since 1960 averaging about 35 single-family homes and 60 multifamily units annually, as compared with a total of about 35 units authorized annually for private construction in the previous five-year period. As indicated by building permit authorizations, residential construction in the HMA in 1965 is expected to approximate that of 1964. For the first seven months of 1965, the number of authorizations totals 850 units, as compared with 770 private authorizations for the same period of 1964.

Units Authorized by Building Permits by Type of Structure^{a/}
Middletown and Oxford
1960-1965

<u>Year</u>	<u>Middletown</u>		<u>Oxford Village</u>	
	<u>Single-family</u>	<u>Multi-family</u>	<u>Single-family</u>	<u>Multi-family</u>
1960	206	31	32	2
1961	152	64	45	17
1962	88	42	35	29
1963	81	99	35	70
1964	91	248	41	170
1965 (first 7 mos.)	87	90	NA	NA

^{a/} Includes only units authorized for private construction.

Source: U.S. Bureau of the Census, C-40 Construction Reports, and local building inspectors.

Demolitions. The number of residential structures demolished in the past five years has been at the high level of nearly 920 units, with over half of these (520 residences) demolished as a result of the urban renewal activity in Hamilton and Middletown. In the absence of further urban renewal activity during the forecast period, the number of residences demolished will be reduced substantially to total an estimated 150 units over the August 1965 to August 1967 period.

Units Under Construction. Based on building permit data, local observation, and on the postal vacancy survey conducted in the HMA, it is judged that there are about 610 units under construction in August 1965 in the Hamilton-Middletown HMA. About 290 of these units are single-family homes, including 100 under construction in the Hamilton area, 125 in Middletown, and about 70 units being built in the remainder of the HMA. Nearly all of 320 multifamily units currently under construction are being built in Middletown (190 units) and in Oxford (100 units), with another 30 units under construction in other portions of the HMA, primarily in the Hamilton area.

Tenure of Occupancy

Current Estimate and Past Trend. Of the 60,950 occupied units in the Hamilton-Middletown HMA as of August 1, 1965, 42,000 units (69.0 percent) were owner-occupied and 18,950 units (31.0 percent) were renter-occupied. As shown in table VII, the current tenure distribution represents a continuation of the 1950-1960 trend toward owner-occupancy evident in the HMA. In 1950, 63.7 percent (26,150 units) of all occupied units were owner-occupied and 36.3 percent

(14,950 units) were renter-occupied. Reflecting the volume of sales-type construction over the 1950-1960 decade, by April 1960, 68.6 percent (38,450) of all occupied units were owner-occupied and 31.4 percent (17,600 units) were occupied by renters.

Vacancy

1960 Census. According to the 1960 Census of Housing, there were 2,500 vacant units in the Hamilton-Middletown HMA in April 1960, of which 1,450 were available for rent or for sale, and 1,050 were vacant for other reasons. Of the 1,450 available vacancies, 520 units were available for sale and 930 units were available for rent, indicating a 1.3 percent homeowner vacancy ratio and a 5.1 percent renter vacancy rate. However, 40 units available for sale and about 370 available rental units (nearly 40 percent of those available for rent) lacked some plumbing facility in 1960.

Of the 520 vacant available sales units in 1960, over 170 (33 percent) were located in Hamilton and 100 (19 percent) were in Middletown, indicating an April 1960 homeowner vacancy ratio of 1.2 percent for each of the principal cities. In the remainder of the HMA nearly 250 vacant units were available for sale, for a slightly higher homeowner vacancy rate of 1.5 percent. Of 930 units available for rent in 1960, 470 (over half of the vacant available rentals) were located in Hamilton and another 260 units were in Middletown. These vacancy levels indicate a 5.8 percent rental vacancy rate for Hamilton and 5.3 percent Middletown renter vacancy rate; however, 200 units available for rent in Hamilton and another 80 vacant rental units in Middletown were classified as substandard in April 1960 due to the lack of plumbing facilities.

Postal Vacancy Survey. A postal vacancy survey was conducted in the HMA in August 1965, by the post offices in the cities of Hamilton and Middletown and the villages of Oxford and Trenton. The survey reported 54,650 possible deliveries, about 86 percent coverage of the total HMA. The results of the survey, summarized in table IX, indicate a two percent over-all vacancy rate in the surveyed area, with a 1.5 percent vacancy rate in residences, and a 5.6 percent apartment vacancy rate, with no allowances for qualitative differences in the vacant units.

It is important to note that the postal vacancy survey data are not entirely comparable with the data published by the Bureau of the Census because of differences in definition, area delineations, and methods of enumeration. The census reports units and vacancies by tenure, whereas the postal vacancy survey reports units and vacancies by type of structure. The Post Office Department defines a "residence" as a

unit representing one stop for one delivery of mail (one mailbox). These are principally single-family homes, but include row houses, and some duplexes and structures with additional units created by conversion. An "apartment" is a unit on a stop where more than one delivery of mail is possible. Although the postal vacancy survey has obvious limitations, when used in conjunction with other vacancy indicators the survey serves a valuable function in the derivation of estimates of local market conditions.

Current Estimate. Based on the postal vacancy survey and information from local sources, it is judged that the August 1965 vacancy level is only slightly above that of April 1960 at 1,650 available vacant units. The number of available vacancies includes 600 available sales units (1.4 percent homeowner vacancy rate) and 1,050 vacant available rental units (5.3 percent rental vacancy rate). This vacancy level indicates a fair degree of equilibrium in the sales and rental markets.

Sales Market

Current Conditions. After several years of an excess supply of sales units, the Hamilton-Middletown sales market is currently reported to be in reasonable balance, with about 600 vacant units available for sale at the present time. A previous FHA analysis of the HMA reported 1,800 to 2,100 available sales units in June 1961, with a significant number priced above \$20,000. The number of available sales units has declined since the early 1960's with improved economic conditions, and with the transfer of sales units to the rental market.

The market for new homes has remained steady despite fluctuations in the economy. New home building, which has varied with the economic conditions, is occurring in all urban portions of the market in the \$12,500 to \$30,000 price classes. In the Hamilton area, residential construction is taking place in all sales price categories, with subdivision activity, primarily in the \$15,000 to \$25,000 price range, taking place south of the city. Easy access to Cincinnati via Interstate 75 is encouraging rapid residential development in the southeast corner of the county (see map) where a number of small builders are constructing homes on contract in the \$20,000 to \$30,000 price range. Home building activity in Middletown and Oxford is also primarily in the \$20,000 to \$30,000 sales price category.

Unsold Inventory of New Houses. In January 1964 and January 1965 the Cincinnati Insuring Office surveyed subdivisions in the HMA in which five or more houses had been completed in the preceding twelve months. Although the 1965 survey reported a greater number of

completions, the number of speculatively-built units remained the same, at about 40 units. The January 1964 survey of two subdivisions reported 83 completions in the preceding twelve months, of which 43 were built according to contract and 40 units (48 percent) were speculatively built. Of the six units that were unsold as of January 1964, all had been on the market for less than four months. The January 1965 survey covered 12 subdivisions and reported 130 completions during the preceding twelve months. Of this total, 89 units were sold before construction started and 41 units (32 percent) were built speculatively. The three units that were unsold as of January 1965 had been on the market three months or less. The FHA surveys do not, of course, report new housing built in subdivisions with less than five completions, nor do they report individually built, self-help homes, or custom built homes on scattered lots. Many of the homes not covered, particularly those custom built, would be in the upper ranges of sales price.

Houses Under Construction. As of August 1, 1965 there are 290 single-family homes being built in the Hamilton-Middletown HMA, with about 100 of these under construction in and around Hamilton and 125 units under construction in Middletown. The remaining 70 units are being built in scattered localities, including 20 units under construction in Oxford.

Rental Market

Current Conditions. Until recently the Hamilton-Middletown rental market was characterized by small apartment structures of two-to-four units and by single-family homes available for rent. After 1962, multifamily apartment building was stimulated by the demand for temporary housing by students in Oxford and plant workers in Middletown. Multifamily construction has not begun in the Hamilton area, although about 100 units are being planned for this area. In Hamilton, the rental market consists of older converted residences, small apartments, and single-family homes. Apartments generally rent for \$60 to \$80 depending on location and condition. Homes can be rented for \$90 to \$110 monthly. A downtown Hamilton apartment building of 55 units, recently converted from a hotel, has met with favorable occupancy since its recent opening.

In Middletown, the rental market has remained fairly tight despite the volume of multifamily construction in the 1960 to 1965 period. Recent additions to the Middletown rental supply include 47 nearly completed two-bedroom apartments in a project planned to contain 150 units. Twenty-one one-bedroom apartments in this same project

are scheduled for a December opening. Apartment construction in Oxford in recent years has been stimulated by the housing needs of the college students. The lack of campus facilities for students at the Miami University has encouraged apartment building, with many of the rentals specified entirely for male students. These apartment projects, usually of about 50 units each, contain one- and two-bedroom apartments. Generally, four students share a two-bedroom unit, making individual rental payments comparatively low.

Rental Housing Under Construction. As of August 1, 1965, there are 320 units under construction in multifamily structures in the HMA. In the Hamilton area, about 30 multifamily units are being built; and 190 rental units are under construction in Middletown. The remaining 100 units are under construction in Oxford.

Mortgage Market

The principal sources of mortgage funds for the Hamilton-Middletown HMA are savings and loan associations and commercial banks, with insurance companies, individuals and other institutions also engaged in mortgage financing. Because the leading financial institutions are not extensively engaged in FHA insuring programs, the proportion of FHA participation in the market is not great. Of the 2,925 home mortgages insured by FHA as of December 31, 1964, nearly 1,275 had been insured after January 1960, including 610 mortgages insured on new homes, and 660 mortgages insured on existing units.

Urban Renewal

Urban renewal activity in the HMA has been the primary factor in the large number of demolitions and general upgrading of the housing supply since 1960. Two projects in Hamilton and one in Middletown are currently in various stages of completion.

Center Punch (R-56) is a one-block downtown Hamilton project involving the rehabilitation of the Hamilton central business district. The five-acre project generally bounded by Market Street on the north, Second Street to the east, High Street on the south, and Front Street on the west, is located north and west of the Hamilton business center, and is surrounded entirely by commercial and government properties. Proposed re-use will include commercial uses as well as public rights of way.

Second Ward-Pecks Addition (3-1) is a slum clearnace and residential redevelopment project in Hamilton. The 22 acres, primarily residential in character, are bounded by Neilan Boulevard and the Miami River to the west, High Street on the north, Front Street on the east, and Pershing Avenue to the south. Prior to rehabilitation, this area contained 214 substandard units and 104 standard units with 218 families. The surrounding neighborhood is also residential; land re-use will remain primarily residential in character, with a small portion designated for public right of way.

The Garfield Redevelopment Project (R-16) in Middletown is a residential improvement program currently being completed. Urban renewal activity involved the acquisition and demolition of nearly 350 substandard dwelling units. The 50-acre site, bounded by Calumet Avenue to the north, the Baltimore and Ohio Railroad to the west, and New York Central Railroad and Armco Steel Works to the east, and Yankee Road to the south, is currently being developed for industrial uses.

Public Housing

There are 533 units of public housing in the HMA, including 283 units in Hamilton and 250 in Middletown. The two Hamilton projects and two in Middletown contain units varying in size from efficiency to five-bedroom apartments. Of the total number of public housing units in the HMA, 100 units in Middletown are in one multifamily structure built in 1964 as housing for senior citizens. This recently completed project contains efficiency, one and two bedroom apartments.

Demand for Housing

Quantitative Demand

The housing demand during the forecast period, based on expected household growth, future demolitions, current vacancy levels, as well as the preference for single-family homes in the HMA, is projected at 1,280 units annually, including 1,000 sales units and 280 rental units. In the derivation of the net quantitative demand for new sales and rental housing, any temporary impact on the economy is not considered. For example, the influx of construction workers into Middletown, associated with Armco's "Project 600", does not create a sustaining economic influence, which is a factor in the demand for permanent housing.

The 280 units of annual demand for privately-owned rental housing includes 80 middle-income rental units that may be marketed only at rents achievable with the aid of below-market-interest-rate financing or assistance in land acquisition and cost. The demand estimate does not include public low-rent housing or rent-supplement accommodations. The annual demand is distributed by sub-market area as shown below.

Annual Demand for New Housing Hamilton-Middletown HMA, 1965-1967

<u>Area</u>	<u>Total</u>	<u>Sales housing</u>	<u>Total</u>	<u>Rental housing</u>	
				<u>With market interest rate financing</u>	<u>With public benefits or assistance in financing</u>
<u>HMA, total</u>	<u>1,280</u>	<u>1,000</u>	<u>280</u>	<u>200</u>	<u>80</u>
Hamilton area	485	400	85	50	35
Middletown area	315	200	115	70	45
Oxford	115	35	80	80	-
Union Township	135	135	-	-	-
Rest of HMA	230	230	-	-	-

Qualitative Demand

Sales Housing. The 400 units of sales demand in the Hamilton area and the 200 units of demand in Middletown area are expected to be distributed by price class as shown in the following table. This distribution, based on family incomes and on the proportion of income that families normally pay for sales housing, is significantly different for the two areas. Nearly half (46 percent) of the Hamilton sales demand is for homes priced under \$20,000; another 35 percent is for new houses in the \$20,000 - \$30,000 price range. In Middletown, 34 percent is for units priced between \$20,000 and \$30,000. Over one-quarter (28 percent) of the Middletown demand

for new sales housing is for units priced at \$30,000 and above. In the other sub-market areas, about 65 percent of the demand will be for houses priced below \$20,000 and 35 percent for higher-priced houses. Demand for the more expensive units will be concentrated in Oxford and in Union Township..

Estimated Annual Demand for New Sales Housing
Hamilton and Middletown Areas
August 1965 to August 1967

<u>Price class</u>	<u>Hamilton</u>		<u>Middletown</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
\$10,000 - 13,999	40	10	20	10
14,000 - 15,999	45	11	15	7
16,000 - 17,999	55	14	15	7
18,000 - 19,999	50	12	20	10
20,000 - 24,999	50	13	45	23
25,000 - 29,999	85	22	30	15
30,000 - 34,999	30	7	10	5
35,000 and over	<u>45</u>	<u>11</u>	<u>45</u>	<u>23</u>
Total	<u>400</u>	<u>100</u>	<u>200</u>	<u>100</u>

Rental Housing. The monthly rental at which the privately owned net additions to the aggregate rental housing inventory, projected at 280 units annually, might best be absorbed in the rental market are indicated for various size units in the following table. Based on current construction and land costs, the minimum gross monthly rent levels for 200 units achievable with market interest rates financing are \$95 for efficiencies, \$110 for one-bedroom units, \$120 for two-bedroom units and \$130 for three-bedroom apartments. It should be noted that new two and three bedroom apartments compete with older single-family homes of the same size which can be rented at lower gross monthly rents. The bulk of the rental demand in the HMA will be satisfied from the existing housing inventory, with the annual apartment demand projected at 50 units for Hamilton, 70 units for Middletown, and 80 units for Oxford.

The 80-unit annual demand for rental units at the lower gross monthly rent levels associated with public benefits or assistance in financing includes 35 units in Hamilton and 45 units in Middletown, excluding public low-rent housing and rent-supplement accommodations. Additions to the rental market 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.

Estimated Annual Demand for New Rental Units
Hamilton-Middletown, Ohio, HMA
August 1965-August 1967

Gross monthly rent <u>a/</u>	Unit Size			
	<u>Efficiency</u>	<u>One bedroom</u>	<u>Two bedroom</u>	<u>Three bedroom</u>
\$80 and over	25	-	-	-
90 " "	20	85	-	-
95 " "	20	85	115	-
100 " "	20	80	110	55
110 " "	15	75	95	50
120 " "	15	70	75	40
130 " "	10	60	65	35
140 " "	-	50	55	30
150 " "	-	40	45	25
160 " "	-	30	35	20
180 " "	-	20	25	10
200 " "	-	10	15	5

a/ Includes utilities and services.

Note: The above figures are cumulative and cannot be added vertically. For example, the annual demand for one-bedroom units from \$130 to \$150 is 20 units (60 minus 40), not 60 units.

The preceding distribution of average annual demand for new apartments is based on projected tenant-family income, the size distribution of tenant households, and rent-paying propensities found to be typical in the area; consideration is also given to the recent absorption experience of new rental housing. Thus it represents a pattern for guidance in the production of rental housing predicated on foreseeable quantitative and qualitative considerations. Even though deviations may experience market success, they should not be regarded as establishing a change in the projected pattern of demand for continuing guidance unless thorough analysis of all factors involved clearly confirms the change. In any case, particular projects must be evaluated in the light of actual market performance in specific rent ranges and neighborhoods or sub-markets.

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.

Housing for the Elderly

Elderly Population and Households. The elderly portion of the Hamilton-Middletown population currently totals an estimated 23,550 persons, or 10.7 percent of the total population of the HMA. That proportion of the population has increased slightly since 1960, when there were 20,850 persons, 10.5 percent of the population, aged 60 or over. Migration of the elderly segment, which is typically at a low level, averaged a net in-migration of 200 persons during the 1950-1960 decade. In April 1960 there were nearly 17,300 households in the HMA where the head of the household was at least 60 years of age. It is estimated that the number of households in this category increased by over 200 annually since that time to total 18,500 currently.

Income. Incomes of elderly households in the HMA are extremely low, with the median at \$2,850 currently, after the deduction of Federal income tax. The distribution shown in the following table reveals that although 14 percent of elderly households have after-tax incomes of \$7,000 or more annually, over half (53 percent) have annual incomes below \$3,000. Not reflected in the distribution are the elderly households who receive no monetary income. This group totalled nearly 660 or over five percent of the 1960 elderly household segment. It should be noted, also, that deriving demand for elderly housing based on incomes is hazardous because effective incomes are often higher than monetary returns. Financial help from relatives as well as cumulative assets derived from holding property and other "hidden assets" are not reflected in the income distribution.

Percentage Distribution of Elderly Households^{a/} by Income Classes
Hamilton-Middletown, Ohio, HMA

<u>Income classes^{b/}</u>	<u>Percentage distribution</u>
Under \$1,000	14
\$1,000 - 1,499	12
1,500 - 1,999	13
2,000 - 2,999	14
3,000 - 3,999	10
4,000 - 4,999	7
5,000 - 5,999	10
6,000 - 6,999	6
7,000 and over	<u>14</u>
Total	100
Median income	\$2,850

a/ Households whose head is 60 years or older.

b/ After the deduction of Federal income tax where necessary.

Current Accommodations. Of the 17,300 households in the HMA whose head was 60 years or older in 1960, 81 percent or nearly 14,000 resided in owner-occupied units and only 19 percent (3,300) occupied rental housing. While this reflects the predominance of owner-occupancy characteristic of the market, it is also attributed to the lack of elderly rental accommodations in 1960. There is only one project in the HMA specifically designated for elderly living. The Mount Pleasant Presbyterian Home, located in Monroe Village, is a philanthropic, church-affiliated, elderly community containing 75 small units. Because the project is affiliated with a private organization, the number of members remains fairly constant. Currently, there are about 125 residents of the Home. The only elderly rental housing in the HMA is in public housing projects, including the recently constructed elderly project of 100 units in Middletown.

Demand. After consideration for the low incomes of elderly residents of the HMA, as well as current vacancy levels at the new elderly public housing projects, and the preference for owner-occupancy in the market, the demand for privately-constructed rental housing designed specifically for elderly occupancy is estimated at 30 units annually over the forecast period. Based on current construction costs in the HMA, minimum rentals will vary from \$95 to \$110, including all utilities depending on unit size. This demand is considered a portion of the previously calculated rental demand rather than an addition to the market.

Nursing Homes

Current Accommodations. Currently there are about 25 nursing homes in the HMA with a capacity of 690 nursing home beds. The Hamilton-Oxford area accounts for about 490 nursing care beds and the Middletown area accounts for nearly 200. Two nursing homes containing 110 beds are philanthropically-owned and the remainder are proprietary. All nursing homes in the HMA are registered by the State of Ohio; these homes require nurses on duty and are classified as skilled homes. However, 640 nursing home beds are classified as "unsuitable" by the State and only 50 beds (in one Middletown nursing home) are classified as "suitable". According to State definition, nursing care beds are classified as "suitable" where the facility conforms to State laws and regulations regarding fire safety, efficient operation, and control of infection. Another 30 nursing care beds in the HMA are in private family care homes (private residences containing a maximum of two nursing care beds) and are generally classified as unskilled facilities.

Occupancy rates for the nursing homes average about 90 percent for the HMA. Welfare patients account for only small portions of those in private nursing care facilities (less than 50); however, about one-third of nursing home accommodations are occupied by patients receiving state-assistance payments. Monthly welfare payments vary from \$150 to \$170; aid-to-the-aged payments are about \$95 to \$125. Private rates average \$175 to \$195 per month for basic services.

Based on the projected 1967 elderly population, it is estimated that there is a need for about 780 nursing home beds in the HMA. When this figure, which is based on medical need rather than ability to pay for privately-operated nursing care services, is adjusted for existing suitable beds, the availability of public facilities and the income level of the area, it is estimated that an additional 700 beds could be utilized in proprietary nursing homes. It should be noted, however, that most of this need is now being met by existing "unsuitable" beds and the provision of additional facilities should be in small increments to test the success that new suitable accommodations will have in replacing existing facilities.

Table I

Workers Covered Under Ohio Unemployment Compensation Law by Industry
Hamilton, Middletown, Ohio, HMA
1956-1964

	<u>1956</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>
Total, all industries	<u>52,858</u>	<u>51,785</u>	<u>47,805</u>	<u>49,505</u>	<u>48,292</u>	<u>44,825</u>	<u>43,433</u>	<u>43,484</u>	<u>45,059</u>
<u>Manufacturing</u>	<u>34,488</u>	<u>33,865</u>	<u>30,231</u>	<u>30,829</u>	<u>29,579</u>	<u>27,108</u>	<u>25,812</u>	<u>25,775</u>	<u>26,661</u>
Durable goods	-	-	<u>19,946</u>	<u>20,404</u>	<u>19,369</u>	<u>17,705</u>	<u>16,856</u>	<u>16,991</u>	N.A.
Primary metals	7,729	8,513	7,498	8,102	7,763	7,523	7,050	7,373	N.A.
Fabricated metals	7,937	6,667	5,033	4,761	5,370	4,861	5,485	5,523	N.A.
Nonelectrical machinery	4,866	4,400	2,971	3,261	2,310	1,719	1,747	1,972	N.A.
Other durable goods	-	-	4,444	4,280	3,926	3,602	2,574	2,123	N.A.
Nondurable goods	-	-	<u>10,285</u>	<u>10,425</u>	<u>10,210</u>	<u>9,403</u>	<u>8,956</u>	<u>8,784</u>	N.A.
Paper and allied products	8,004	8,083	8,051	8,158	8,015	7,243	6,858	6,647	N.A.
Food and kindred products	679	730	1,128	1,113	1,043	1,059	1,016	1,075	N.A.
Other nondurable goods	-	-	1,106	1,154	1,152	1,101	1,082	1,062	N.A.
Other manufacturing	5,273	5,472	-	-	-	-	-	-	-
<u>Nonmanufacturing</u>	<u>18,300</u>	<u>17,857</u>	<u>17,574</u>	<u>18,590</u>	<u>18,624</u>	<u>17,717</u>	<u>17,528</u>	<u>17,613</u>	<u>18,398</u>
Contract construction	3,500	3,171	3,667	3,940	3,544	2,975	2,645	2,439	2,678
Transportation and utilities	1,310	1,341	1,394	1,387	1,502	1,477	1,527	1,577	1,608
Wholesale and retail trade	9,144	8,957	8,142	8,659	8,829	8,356	8,518	8,729	9,103
Finance, insurance, and real estate	1,855	1,740	1,897	2,035	2,093	2,171	2,209	2,252	2,243
Services	2,393	2,562	2,377	2,534	2,624	2,616	2,601	2,615	2,606
Other nonmanufacturing	98	86	97	35	32	122	28	1	160
Not elsewhere classified	70	63	-	86	89	-	93	96	-

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

Source: Ohio Bureau of Unemployment Compensation, Division of Research and Statistics.

Table II

Percentage Distribution of Families by Income
after Deduction of Federal Income Tax
Hamilton-Middletown, Ohio, HMA, 1965 and 1967

<u>Income classes</u>	<u>1965 incomes</u>		<u>1967 incomes</u>	
	<u>All families</u>	<u>Renter families</u>	<u>All families</u>	<u>Renter families</u>
Under \$3,000	10	15	9	15
\$3,000 - 3,999	4	8	4	7
4,000 - 4,999	7	11	6	10
5,000 - 5,999	9	13	7	11
6,000 - 6,999	12	12	9	11
7,000 - 7,999	11	13	10	12
8,000 - 8,999	10	8	12	10
9,000 - 9,999	9	6	9	8
10,000 - 14,999	24	11	28	11
15,000 and over	<u>4</u>	<u>3</u>	<u>6</u>	<u>5</u>
Total	100	100	100	100
Median income	\$7,750	\$6,200	\$8,325	\$6,675

Source: Estimated by Housing Market Analyst.

Table III

Population Growth Trends
Hamilton-Middletown, Ohio, HMA
1950-1967

<u>Cities and villages</u>	<u>April 1950</u>	<u>April 1960</u>	<u>August 1965</u>	<u>August 1967</u>	<u>Average annual change^{a/}</u>					
					<u>1950-1960^{b/}</u>		<u>1960-1965</u>		<u>1965-1967</u>	
					<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Hamilton	59,951	72,354	72,550	72,600	1,240	2.1	35	.05	25	.03
Middletown	33,695	42,115	44,800	46,300	842	2.5	500	1.2	750	1.7
Oxford	6,944	7,828	13,250	14,450	89	1.3	1,025	13.0	600	4.5
Fairfield	-	9,734	11,775	12,600	973	-	380	3.9	410	3.5
New Miami	1,860	2,360	3,425	3,850	50	2.7	200	8.5	210	6.2
Remainder of county	<u>44,753</u>	<u>64,685</u>	<u>74,300</u>	<u>78,000</u>	<u>1,993</u>	<u>4.5</u>	<u>1,800</u>	<u>2.8</u>	<u>1,850</u>	<u>2.5</u>
HMA total	147,203	199,076	220,100	227,800	5,187	3.5	3,950	2.0	3,850	1.8

^{a/} Columns may not add to total due to rounding.

^{b/} Additions to their 1960 populations through annexations between 1950 and 1960 by Hamilton (13,171), Middletown (7,125), and Oxford (634), and the showing of the 1960 population for the city of Fairfield (incorporated 1954) without a comparable 1950 population exaggerate the growth of these municipalities as well as diminish the growth in the remainder of the county.

Sources: 1950 and 1960 Census of Population.
1965 estimated by Housing Market Analyst.

Table IV

Population Distribution By Age
Hamilton-Middletown, Ohio, HMA
April 1950 - April 1960

<u>Age group</u>	<u>April 1950</u>		<u>April 1960</u>		<u>Decennial change</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Under 5	16,511	11.2	24,572	12.3	8,061	48.8
5-19	35,032	23.8	57,060	28.7	22,028	62.9
20-29	27,014	18.4	27,804	14.0	790	2.9
30-39	20,905	14.2	28,876	14.5	7,971	38.1
40-49	18,004	12.2	22,522	11.3	4,518	25.1
50-59	13,913	9.5	17,375	8.7	3,462	24.9
60-69	9,207	6.2	11,942	6.0	2,735	29.7
70 and over	<u>6,617</u>	<u>4.5</u>	<u>8,925</u>	<u>4.5</u>	<u>2,308</u>	<u>34.9</u>
Total	147,203	100.0	199,076	100.0	51,873	35.2

Source: 1950 and 1960 Censuses of Population.

Table V

Household Growth Trends
Hamilton-Middletown, Ohio, HMA
1950-1967

<u>Cities and villages</u>	<u>April</u> <u>1950</u>	<u>April</u> <u>1960</u>	<u>August</u> <u>1965</u>	<u>August</u> <u>1967</u>	<u>Average annual change ^{a/}</u>					
					<u>1950-1960^{b/}</u>		<u>1960-1965</u>		<u>1965-1967</u>	
					<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Hamilton	17,218	21,854	21,900	21,950	464	2.7	10	.04	25	.1
Middletown	9,837	12,944	13,750	14,250	311	3.2	150	1.2	250	1.8
Oxford	1,208	1,522	2,000	2,200	31	2.6	90	5.9	100	5.0
Fairfield	-	2,588	3,100	3,350	259	-	100	3.9	110	3.6
New Miami	464	578	850	950	11	2.5	50	8.8	50	5.9
Remainder of county	<u>12,397</u>	<u>16,546</u>	<u>19,350</u>	<u>20,350</u>	<u>415</u>	<u>3.3</u>	<u>520</u>	<u>3.2</u>	<u>510</u>	<u>2.6</u>
HMA total	41,124	56,032	60,950	63,050	1,491	3.6	920	1.7	1,050	1.7

a/ Columns may not add to totals due to rounding.

b/ Increases in households through annexations between 1950 and 1960 by Hamilton, Middletown, and Oxford, and the showing of 1960 households for the city of Fairfield (incorporated 1954) without comparable 1950 households exaggerate changes in these municipalities during the period as well as diminish the change in the remainder of the county.

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

Table VI

Number of Housing Units Authorized by Building Permits
Hamilton-Middletown, Ohio, HMA
1955-1965

<u>Year</u>	<u>Hamilton</u>	<u>Middletown</u>	<u>Oxford</u>	<u>Fairfield</u>	<u>New Miami</u>	<u>Remainder of HMA</u>	<u>HMA total</u>
1955	356	269	45	149	9	1,016	1,844
1956	405	178	25	65	9	908	1,590
1957	309 ^{a/}	205	143 ^{a/}	136	6	563	1,362
1958	385	184	NA	432	NA	533	1,534
1959	398	279	NA	226	6	672	1,581
1960	137	237	34	123	5	773	1,309
1961	142	216	62	112	76	496	1,104
1962	117	130	64	110	124	420	965
1963	96	180	105	97	67	403	948
1964	116	589 ^{b/}	211	63	2	453	1,434
1964(first 7 mo.)	71	446 ^{b/}	179	39	1	285	1,021
1965(first 7 mo.)	105	177	161	79	-	329	851

^{a/} 142 units of public housing at Hamilton and 108 units of married student housing in Oxford authorized in 1957.

^{b/} 250 units of public housing authorized in Middletown in 1964.

Source: U.S. Bureau of the Census, C-40 Construction Reports, and local building inspectors.

Table VII

Occupancy Characteristics
Hamilton-Middletown, Ohio, HMA
1950, 1960, and 1965

<u>Occupancy by tenure</u>	<u>Number of units</u>		
	<u>April 1950</u>	<u>April 1960</u>	<u>August 1965</u>
<u>Total HMA</u>			
<u>Total occupied</u>	<u>41,124</u>	<u>56,032</u>	<u>60,950</u>
Owner occupied	26,180	38,443	42,000
Percent of total occupied	63.7	68.6	69.0
Renter occupied	14,944	17,589	18,950
Percent of total occupied	36.3	31.4	31.0
<u>Hamilton</u>			
<u>Total occupied</u>	<u>17,296</u>	<u>21,854</u>	<u>21,900</u>
Owner occupied	10,856	14,124	14,150
Percent of total occupied	62.8	64.6	64.6
Renter occupied	6,440	7,730	7,750
Percent of total occupied	37.2	35.4	35.4
<u>Middletown</u>			
<u>Total occupied</u>	<u>9,807</u>	<u>12,944</u>	<u>13,750</u>
Owner occupied	5,652	8,234	8,950
Percent of total occupied	57.6	63.6	65.0
Renter occupied	4,155	4,710	4,800
Percent of total occupied	42.4	36.4	35.0
<u>Remainder of HMA</u>			
<u>Total occupied</u>	<u>14,021</u>	<u>21,234</u>	<u>25,300</u>
Owner occupied	9,672	16,085	18,900
Percent of total occupied	69.0	75.8	74.7
Renter occupied	4,349	5,149	6,400
Percent of total occupied	31.0	24.2	25.3

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

Table VIII

Vacancy Characteristics
Hamilton-Middletown, Ohio, HMA
1950, 1960, and 1965

<u>Vacancy by type</u>	<u>Number of units</u>		
	<u>April 1950</u>	<u>April 1960</u>	<u>August 1965</u>
<u>Total HMA</u>			
<u>Total vacant</u>	<u>1,049</u>	<u>2,512</u>	<u>2,700</u>
Available vacant units	396	1,457	1,650
For sale	199	521	600
Homeowner vacancy rate	.8	1.3	1.4
For rent	197	936	1,050
Renter vacancy rate	1.3	5.1	5.3
Other vacant units	653	1,055	1,050
<u>Hamilton</u>			
<u>Total vacant</u>	<u>341</u>	<u>907</u>	<u>950</u>
Available vacant units	189	648	690
For sale	81	174	190
Homeowner vacancy rate	.7	1.2	1.3
For rent	108	474	500
Renter vacancy rate	1.7	5.8	6.1
Other vacant units	152	259	260
<u>Middletown</u>			
<u>Total vacant</u>	<u>147</u>	<u>530</u>	<u>600</u>
Available vacant units	42	365	450
For sale	13	100	140
Homeowner vacancy rate	.2	1.2	1.5
For rent	29	265	310
Renter vacancy rate	.7	5.3	6.0
Other vacant units	105	165	150
<u>Remainder of HMA</u>			
<u>Total vacant</u>	<u>561</u>	<u>1,075</u>	<u>1,150</u>
Available vacant units	165	444	510
For sale	105	247	270
Homeowner vacancy rate	1.1	1.5	1.4
For rent	60	197	240
Renter vacancy rate	1.4	3.7	3.6
Other vacant units	396	631	640

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

Table IX

Hamilton-Middletown, Ohio Area Postal Vacancy Survey
August 24, 1965

Postal area	Total residences and apartments						Residences						Apartments						House trailers		
	Total possible deliveries	Vacant units				Under const.	Total possible deliveries	Vacant units				Under const.	Total possible deliveries	Vacant units				Under const.	Total possible deliveries	Vacant	
		All	%	Used	New			All	%	Used	New			All	%	Used	New			No.	%
The Survey Area Total	<u>54,659</u>	<u>1,071</u>	<u>2.0</u>	<u>918</u>	<u>153</u>	<u>575</u>	<u>48,433</u>	<u>725</u>	<u>1.5</u>	<u>596</u>	<u>129</u>	<u>255</u>	<u>6,226</u>	<u>346</u>	<u>5.6</u>	<u>322</u>	<u>24</u>	<u>320</u>	<u>908</u>	<u>31</u>	<u>3.4</u>
Hamilton	<u>30,344</u>	<u>588</u>	<u>1.9</u>	<u>509</u>	<u>79</u>	<u>126</u>	<u>25,845</u>	<u>406</u>	<u>1.6</u>	<u>335</u>	<u>71</u>	<u>92</u>	<u>4,499</u>	<u>182</u>	<u>4.0</u>	<u>174</u>	<u>8</u>	<u>34</u>	<u>748</u>	<u>27</u>	<u>3.6</u>
Main Office	22,201	462	2.1	421	41	71	18,829	300	1.6	263	37	71	3,372	162	4.8	158	4	-	372	15	4.0
Fairfield Branch	3,347	44	1.3	17	27	50	2,922	44	1.5	17	27	16	425	-	-	-	-	34	159	10	6.3
Lindenwald Station	4,796	82	1.7	71	11	5	4,094	62	1.5	55	7	5	702	20	2.9	16	4	-	217	2	0.9
Middletown	<u>19,548</u>	<u>418</u>	<u>2.1</u>	<u>369</u>	<u>49</u>	<u>309</u>	<u>18,353</u>	<u>260</u>	<u>1.4</u>	<u>222</u>	<u>38</u>	<u>122</u>	<u>1,195</u>	<u>158</u>	<u>13.2</u>	<u>147</u>	<u>11</u>	<u>187</u>	<u>144</u>	<u>4</u>	<u>2.8</u>
Other Cities and Towns	<u>4,767</u>	<u>65</u>	<u>1.4</u>	<u>40</u>	<u>25</u>	<u>140</u>	<u>4,235</u>	<u>59</u>	<u>1.4</u>	<u>39</u>	<u>20</u>	<u>41</u>	<u>532</u>	<u>6</u>	<u>1.1</u>	<u>1</u>	<u>5</u>	<u>99</u>	<u>16</u>	<u>-</u>	<u>-</u>
Oxford	3,182	47	1.5	25	22	122	2,660	41	1.5	24	17	23	522	6	1.1	1	5	99	16	-	-
Trenton	1,585	18	1.1	15	3	18	1,575	18	1.1	15	3	18	10	-	-	-	-	-	-	-	-

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).