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Analysis of the **HUTCHINSON, KANSAS HOUSING MARKET**

as of August 1, 1966

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

June 1967

ANALYSIS OF THE
HUTCHINSON, KANSAS, HOUSING MARKET
AS OF AUGUST 1, 1966

Field Market Analysis Service
Federal Housing Administration
Department of Housing and Urban Development

Foreword

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

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

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

Table of Contents

	<u>Page</u>
Summary and Conclusions	i
Housing Market Area	1
Map of Area	2
Economy of the Area	
History and Character	3
Employment	3
Employment by Industry	4
Principal Employment Sources	6
Unemployment	7
Future Employment	8
Income	8
Demographic Factors	
Population	9
Households	11
Housing Market Factors	
Housing Supply	13
Residential Building Activity	15
Tenure of Occupancy	17
Vacancy	17
Sales Market	19
Rental Market	20
Mortgage Market	21
Military Housing	21
Demand for Housing	
Quantitative Demand	22
Qualitative Demand	22

ANALYSIS OF THE
HUTCHINSON, KANSAS, HOUSING MARKET
AS OF AUGUST 1, 1966

Summary and Conclusions

1. The Hutchinson, Kansas, Housing Market Area (HMA) serves as a trade and service center for the surrounding agricultural area. The local economy is dependent primarily on nonmanufacturing industries which accounted for about 75 percent of all wage and salary employment in 1965. Manufacturing industries are becoming more important to the economy of the area, and the proportion of manufacturing employment to total employment has been increasing. The total of approximately 18,975 nonagricultural wage and salary jobs in the HMA in 1965 was approximately 2,575 (15 percent) higher than in 1961. Wage and salary employment has increased substantially each year since 1961, with increases averaging 640 jobs annually. In 1965, unemployment averaged 2.6 percent of the work force, a considerably lower rate of unemployment than the 1961 rate of 3.6 percent, highest for the 1961-1965 period. During the next two years, nonagricultural wage and salary employment is expected to increase by about 1,150 jobs, or 575 jobs annually.
2. The median income of all families, after deducting federal income tax, is approximately \$6,150; median after-tax income of renter households of two or more persons is \$5,250. By 1968, median after-tax incomes will increase to approximately \$6,450 for all families and to \$5,475 for renter households.
3. As of August 1966, the nonfarm population of the HMA is approximately 55,850, an increase of approximately 670 (1.3 percent) annually since April 1960. The population is expected to increase by approximately 1,600 (800 annually) during the forecast period.
4. Currently, there are approximately 18,050 households in the HMA, representing an increase of about 200 (1.2 percent) annually since April 1960. A net of approximately 475 new households (about 240 annually) are expected during the forecast period.
5. There are approximately 19,575 housing units in the HMA, an increase of about 180 annually since April 1960. The housing units authorized since 1960, including those currently under construction, total approximately 1,560. The number of housing units started has averaged about 250 a year; authorizations have ranged from a low of 186 in 1960 to a high of 300 in 1964. Currently there are approximately 100 units under construction, of which 70 are single-family houses.

6. As of August 1, 1966, there are approximately 680 available, vacant, nonseasonal, non-dilapidated housing units in the HMA, equal to a net vacancy ratio of 3.6 percent. Approximately 220 of these vacant units are available for sale and about 460 are available for rent, representing sales and rental vacancy ratios of 1.7 percent and 7.9 percent, respectively.
7. The demand for new privately-owned housing units during the forecast period is estimated at 250 units a year, including about 225 sales and 25 rental units. The approximate distribution of the demand for new sales housing is indicated on page 22.

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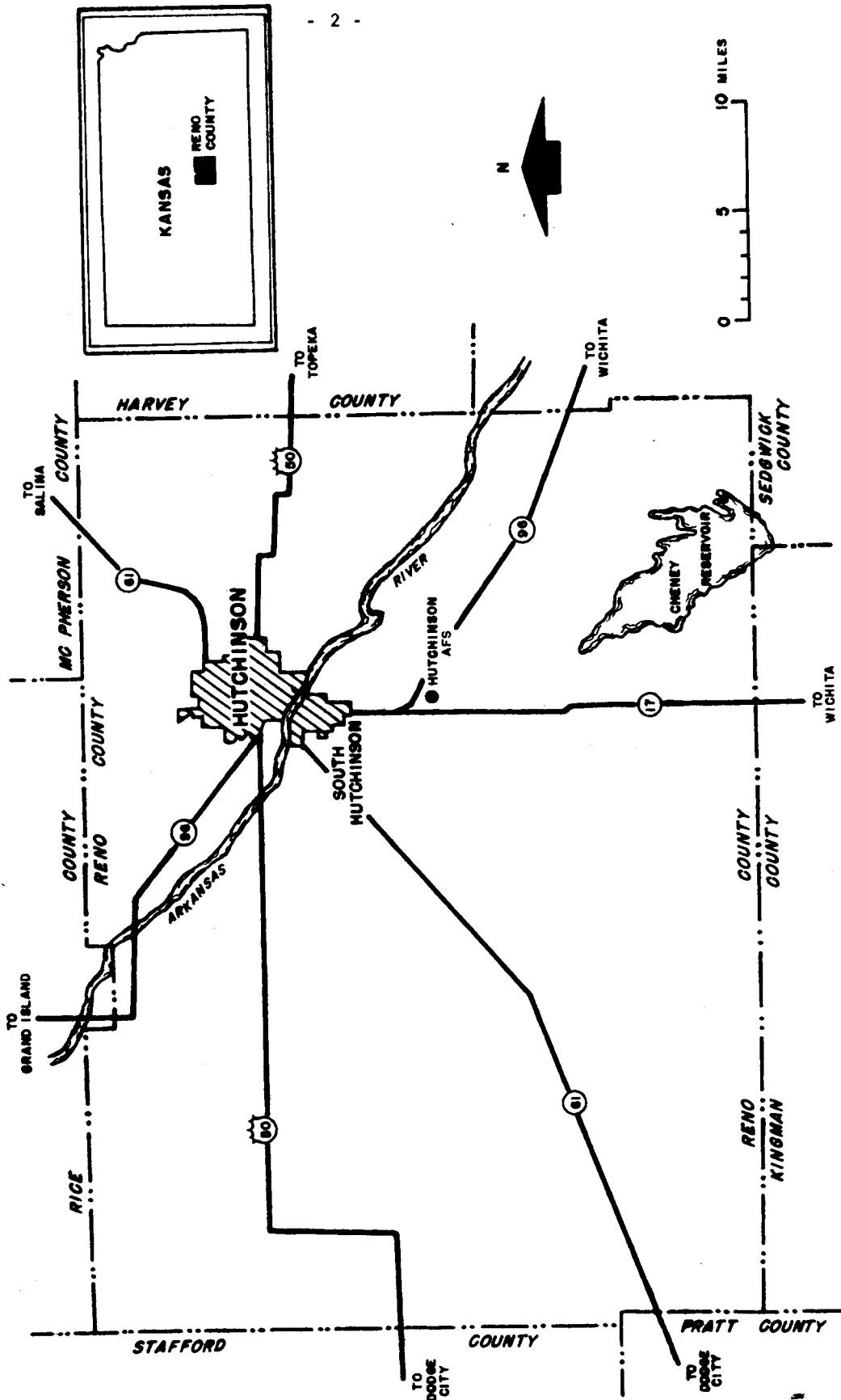
Housing Market Area

In this analysis, the Hutchinson, Kansas, Housing Market Area (HMA) is defined as Reno County, Kansas, and is identical with the Hutchinson Labor Market Area, as defined by the Kansas State Employment Service. Reno County is located in the south-central portion of the State of Kansas. It is bounded by seven other counties (including Sedgwick County, part of the Wichita standard metropolitan statistical area). In 1960, approximately 51,625 persons lived in the HMA.^{1/}

Hutchinson is the largest urban community in Reno County, and is the only city in the HMA with a population exceeding 2,000. The city is located about 50 miles northwest of Wichita, 175 miles southwest of Topeka, and about 450 miles southwest of Denver, Colorado. The area is served by a good network of state and federal highways (see map), and is linked indirectly with the Kansas Turnpike, which leads to Topeka and Kansas City. Four railroads (The Santa Fe, Rock Island, Missouri Pacific, and the Hutchinson Northern) provide the area with freight and passenger services. Air transportation is provided at the municipal airport, located less than five miles from downtown Hutchinson. Since the area within a 40-mile radius of Hutchinson is essentially agricultural, commutation for employment is not significant in the HMA.

^{1/} Since rural farm population constituted nearly 13 percent of the population of the Hutchinson HMA in 1960, all demographic and housing data used in this analysis exclude the rural farm component, except where specifically noted.

HUTCHINSON, KANSAS, HOUSING MARKET AREA



Economy of the Area

History and Character. In 1854, the Congress of the United States passed the historic Kansas-Nebraska Bill, which permitted settlement of the State of Kansas. A few settlers came to the Hutchinson area in the succeeding years, but it was not until the 1871-1872 period (when Reno County was organized and the city of Hutchinson was founded) that any large influx of settlers was recorded.

The early settlers were dependent mainly on cattle grazing and buffalo hunting in order to maintain themselves in the flat prairie lands of the area. From 1870 to 1875, several events occurred which proved to be important in the subsequent development of the area. During this period, Russian immigrants brought a new variety of hard winter wheat to the area. Successful cultivation of this wheat and its introduction to other counties caused Kansas to become one of the leading wheat producing states in the nation. In the same period, the first wheat thresher and grist mills were operated in the Hutchinson area, and a salt manufacturing plant became operative. The latter proved to be the predecessor of many successful endeavors in salt mining and extraction in the county. In 1872, the first railroad, the Santa Fe, reached Hutchinson from Newton. The Missouri Pacific and the Rock Island railroads were extended to Hutchinson in 1885 and 1887, respectively. This network of railroads resolved the problem of transportation of passengers and freight to and from other urban centers.

Although other industries (including brick-making, sugar refining, meat-packing, brewing, and the manufacture of clothing) were started in the area in the 1875-1885 period, many were short-lived. Except in very recent years, the Hutchinson area has not had any rapid industrialization, as has been characteristic of many other cities. The economy of the area has remained agriculturally oriented, as evidenced by the sizable number of manufacturing firms which either serve the needs of the farmers or process agricultural products. The establishment of new firms in the area within the last 10 to 15 years suggests that both expansion and diversification of the manufacturing sector are proceeding gradually. The non-manufacturing sector of the economy also is influenced by the needs of the surrounding agricultural areas for which Hutchinson serves as a trade and service center, as reflected by the high proportion of workers engaged in these industries.

Employment

Current Estimate. As of June 1966, employment in the Hutchinson HMA totaled approximately 25,925 jobs, about 1,125 (nearly five percent) more than the comparable month in 1965. Nonagricultural wage and salary employment, however, increased by 1,450 during this period. For

the year 1965, total employment averaged 24,000, the highest during the 1961-1965 period. The 1965 total included approximately 18,975 non-agricultural wage and salary jobs, and about 5,025 jobs performed by agricultural, nonagricultural self-employed, domestic, and unpaid family workers (see table I).

Past Trend. Data on nonagricultural wage and salary employment provide the most reliable indication of the trend of employment in the Hutchinson HMA. In 1961, nonagricultural wage and salary employment averaged 16,400 (earliest comparable data). From this level, wage and salary employment increased by 2,575 (15 percent), or 640 annually, to the 1965 total of 18,975. The yearly increases ranged from a high of 1,000 (six percent) in 1963 to a low of 300 (two percent) in 1964. Part of the increase during the 1961-1965 period represented recovery from the mild recession which affected the area in the 1960-1961 period. The trend of nonagricultural wage and salary employment is indicated in the following table.

Trend of Nonagricultural Wage and Salary Employment
Hutchinson, Kansas, HMA
Annual averages 1961-1965

<u>Date</u>	<u>Manu- facturing</u>	<u>Nonmanu- facturing</u>	<u>Total nonag. wage and salary employment</u>	<u>Change in total from prev. year</u>	
				<u>Number</u>	<u>Percent</u>
1961	3,875	12,525	16,400	-	-
1962	3,850	13,100	16,950	550	3.4
1963	4,150	13,800	17,950	1,000	5.9
1964	4,450	13,800	18,250	300	1.7
1965	4,825	14,150	18,975	725	4.0

Source: Kansas State Employment Service.

Employment by Industry

Manufacturing. As indicated in the table above, employment in manufacturing industries has increased substantially, and the 1965 total of approximately 4,825 employed in the manufacturing sector was 950 (25 percent) higher than the 1961 level. In June 1966, manufacturing employment had increased by 900 above the level of June 1965, to a total of 5,700, or over 28 percent of wage and salary employment. In 1965, over 25 percent of all nonagricultural wage and salary employment was engaged in the manufacturing sector, compared with less than 24 percent in 1961 and with approximately 23 percent in 1962 (lowest during the period). The data indicate the growing importance of manufacturing industries to the economy of the area.

Of the approximately 5,700 jobs in the manufacturing sector in June 1966 (see table II), approximately 1,075 were in the food processing industry. The majority of the establishments in the food processing industry are small (less than 200 employees each), and the industry is comprised of several bakeries, meat-packers, feed plants, and poultry and dairy

processors. About 525 of the manufacturing jobs are in the chemical industry, in which three salt producers (Carey, Morton, and Barton) account for virtually all employment. The production of nonelectrical machinery and equipment parts (of which Cessna Aircraft Company is the largest producer) account for approximately 60 percent of the remaining manufacturing jobs.

Nonmanufacturing. A preponderant proportion of wage and salary employment (75 percent in 1965) is provided by nonmanufacturing industries. Since Hutchinson serves as a trade and service center for the surrounding agricultural area, employment in trade and services comprises a comparatively high proportion of total nonmanufacturing employment. In June 1966, nonmanufacturing employment had increased by 550 above the level of June 1965, to a total of 14,475.

In 1965, wholesale and retail trade provided about 5,175 jobs, 27 percent of all wage and salary employment. Employment in trade increased substantially (11 percent, or 500 jobs) in the 1961-1963 period; since then, employment has remained virtually unchanged. The wholesale and retail trade industry consists of a few sizeable firms (Dillion's Stores, Welles Department Store, and Sears, Roebuck, and Company) and a large number of smaller establishments.

In 1965, the services group accounted for approximately 2,650 jobs, 14 percent of nonagricultural wage and salary employment. There were 2,575 jobs in services in 1962. Between 1962 and 1964, employment in services increased by nearly four percent (100 jobs) to 2,675 in 1964 (highest for the period), then declined slightly (25 jobs) to the 1965 level.

Government, including federal, state, and local, ranks third in employment among nonmanufacturing industries, and, in 1965, accounted for 2,550 jobs, 13 percent of all wage and salary employment. Government employment increased each year since the 1961 low of 2,125, and a total of about 425 jobs have been added during the 1961-1965 period, an increase of 20 percent. The increases averaged nearly 110 jobs annually, ranging from a high of 175 new jobs in 1963 to a low of 50 jobs added in 1965. Employees of local government, including approximately 850 employed by the public school system, 225 city workers, and 225 county employees, account for a high proportion of the jobs in government.

In 1965, there were approximately 1,400 jobs in contract construction, which accounted for seven percent of wage and salary employment. The number of jobs in contract construction increased by 100 (nine percent) in the 1961-1963 period, declined slightly in 1964, then increased by 250 jobs (22 percent) to an average of 1,400 in 1965. The approximately 1,750

workers in the construction industry as of June 1966 reflect both seasonality and an increase in employment resulting from a few large building projects, including expansions at Cessna and the Hutchinson Community College.

Transportation, communication, and public utilities accounted for 1,175 jobs, six percent of wage and salary employment in 1965. Employment in this industry has exhibited a declining trend since 1961, and the 1965 level of employment was 150 jobs (11 percent) less than in 1961.

In 1965, there were approximately 1,000 jobs in the finance, insurance, and real estate group, 11 percent higher than the 1961 level of 900 jobs.

Principal Employment Sources

Data made available by the local Chamber of Commerce indicate that the Cessna Aircraft Company, Industrial Products Division, is by far the largest employer in the manufacturing sector. Established in 1942, the plant had been engaged in the production of various products, including aircraft and furniture and, for some time, was used as a sub-assembly aircraft plant. Its present operation as a manufacturer of complete hydraulic systems for farm, automotive, and industrial equipment dates back to 1952. Company officials indicate that employment may rise significantly by 1968, depending on the demand for Cessna's products.

Since 1961, Cessna Aircraft Company has been engaged in a plant expansion program and, according to a recent issue of the local newspaper (the Hutchinson News), a \$1.6 million revenue bond issue has been approved by the city for further expansion at Cessna. Approximately 105,600 square feet of floor space will be added, including 12,000 square feet for new engineering and laboratory quarters, 9,800 square feet for service and spare parts, and 4,800 square feet for cafeteria enlargement.

Dillion's Stores is the second largest employer in the private sector of the economy with a large number of persons employed in wholesale and retail trade activities of the firm as well as sizable number who work in the company's bakeries. As in the past two or three years, employment at Dillion's is expected to increase gradually during the forecast period.

There are a few establishments of moderate size which, in addition to adding diversity to the manufacturing base of the economy, are significant to future growth. These include Consolidated Rebuilders (engine rebuilding), Krause Plow Corporation (farm implements), Western Food Products (jams, jellies, fruits, and vegetables), Detroit Mobile Homes, and Ultra Mobile Homes. These are expected either to maintain present employment levels or to increase the number of employees gradually during the forecast period.

Three companies engaged in the production of salt (Carey, Morton, and Barton), together employ about 525 workers, thereby accounting for a substantial proportion of manufacturing employment. The number of workers employed by these companies has been relatively stable during the last four or five years, and no significant change is expected during the forecast period.

Military

The Hutchinson Air Force Station is located approximately 13 miles southeast of Hutchinson City on land formerly occupied by the Hutchinson Naval Station which was deactivated in 1957. The Air Force Station was activated during the same year under the Air Defense Command (ADC).

As of August 1966, there are 126 military personnel and 11 civilian employees at the station, slightly more than in December 1965, when there were 103 military personnel and seven civilians. The military strength was at a peak of 227 in 1958, shortly after activation, but has declined substantially since (see table below). Civilian employment has not exceeded the current total since the station was activated. No significant change in military strength or employment is anticipated during the forecast period.

Military Strength and Civilian Employment Hutchinson Air Force Station 1957-1966

<u>Date</u>	<u>Military strength</u>	<u>Civilian employment</u>	<u>Date</u>	<u>Military strength</u>	<u>Civilian employment</u>
Dec. 1957	196	5	Dec. 1962	138	6
" 1958	227	6	" 1963	145	7
" 1959	208	4	" 1964	120	8
" 1960	215	5	" 1965	103	7
" 1961	190	5	Aug. 1966	126	11

Source: U.S. Department of the Air Force.

Unemployment

In June 1966, the number of unemployed persons in the HMA totaled 775, slightly less than the total for the comparable month in 1965, and equal to 2.9 percent of the work force of 26,700. For the year 1965, the number of unemployed averaged 625, or 2.6 percent of the work force. Unemployment in the HMA has declined since the 1961 level of 800, or 3.6 percent of the work force (see table I). Although the work force has increased by nearly 10 percent since 1961, employment has increased even faster, resulting in a decline in unemployment and a consequent tightening of the labor market (especially the market for skilled workers). Many

of the unemployed are new entrants to the labor force and a large proportion are unskilled.

Future Employment

During the August 1966-August 1968 forecast period, nonagricultural wage and salary employment is expected to increase by about 1,150 jobs, or 575 jobs annually. The projected increase in employment is based on the future prospects of some of the major employers in the area and on the rate of growth exhibited by the local economy during the 1961-1966 period. Most of the growth in employment is expected in manufacturing industries. Cessna Aircraft Company, which has had substantial increases in employment each year since 1961, is expected to add to its employment level. Other manufacturing firms, such as Detroit Mobile Homes, Consolidated Rebuilders, and Southern Extrusion, are expected to have small yearly increases. In total, an increase of about 350 jobs annually is expected in manufacturing industries.

In response to increased employment in manufacturing, employment in non-manufacturing is expected to increase also; trade, services, and government each are expected to add about 50 to 60 jobs annually, while other nonmanufacturing industries (with the possible exception of transportation, communications, and utilities which have been declining) should increase slightly. Based on these expectations, a net addition of about 225 wage and salary jobs annually is anticipated in nonmanufacturing activities. The annual increase in future employment is expected to be above the 500 gain in 1965; however, it is less than the average gain of about 640 wage and salary jobs during the 1961-1965 period, when part of the increase represented recovery gains from the mild recession.

Income

Current Estimate. The median income, after the deduction of federal income tax, of all families in the Hutchinson HMA is \$6,150. The median after-tax income of renter households of two or more persons is \$5,250. By 1968, the median after-tax income of all families will rise to approximately \$6,450; the median income of renter households will be about \$5,475.

About 23 percent of all families and 31 percent of renter households have after-tax incomes of less than \$4,000. About 15 percent of all families but only eight percent of renter households have after-tax incomes of \$10,000 or over.

Demographic Factors

Population

HMA Total. As of August 1966, the nonfarm population of the Hutchinson HMA is approximately 55,850, about 4,225 (eight percent) more than the April 1960 total. The current population represents an average annual increase of about 670 (1.3 percent). During the 1950-1960 decade, the population increased from nearly 44,100 to 51,625, an increase of approximately 7,525 (17 percent), or 750 annually. Because of the change in definition of "farm" between the 1950 and 1960 censuses, many persons living in rural areas who were classified as living on farms in 1950 were considered to be rural nonfarm residents in 1960. The resultant decline in the farm population and, consequently, the increase in nonfarm population between the two census dates is, to some extent, the result of the change in definition.

Hutchinson City. The current population of Hutchinson is estimated at 39,725, about 71 percent of the nonfarm population of the HMA. The population of the city is approximately 2,150 persons (six percent) more than the 1960 total, and represents an average annual increase of 340 persons. Between 1950 and 1960, the population of Hutchinson increased from 33,575 to 37,575, a gain of 4,000 (12 percent), or 400 annually. During the decade, the proportion of the nonfarm population living in Hutchinson declined from 76 percent to 73 percent.

Remainder of the HMA. As of August 1966, the nonfarm population of the remainder of the HMA (Reno County excluding the city of Hutchinson) is 16,125, about 2,075 (15 percent) more than in 1960, and represents an average annual increase of 330. Between 1950 and 1960, the population of the remainder of the HMA increased from 10,525 to 14,050, representing a gain of 3,525 (33 percent), or 350 annually.

Currently, the remainder of the HMA accounts for 29 percent of the nonfarm population of the HMA, compared with 24 percent in 1950, and 27 percent in 1960. The increase in the proportion of the population living in the remainder of the HMA, especially in the 1960-1966 period, reflects the moderate growth (comparatively faster than Hutchinson City, however) which has taken place within the three-mile radius of the city limits. The population trends of the HMA are indicated in the following table.

Nonfarm Population Trends
Hutchinson, Kansas, HMA
1950-1966

Area	April 1950	April 1960	August 1966	Average annual changes			
				1950-1960		1960-1966 ^{a/}	
				Number	Percent ^{b/}	Number	Percent ^{b/}
Hutchinson	33,575	37,574	39,725	400	1.1	340	.9
Rest of HMA	<u>10,522</u>	<u>14,044</u>	<u>16,125</u>	<u>352</u>	<u>2.9</u>	<u>330</u>	<u>2.2</u>
HMA total	44,097	51,618	55,850	752	1.6	670	1.3

^{a/} Rounded.

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

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

Estimated Future Population. It is estimated that the nonfarm population of the Hutchinson HMA will increase by approximately 800 annually during the forecast period, and will total approximately 57,450 by August 1968. The projected rate of population growth is slightly higher than that experienced since 1960 because the economic prospects of the area are good. On the assumption that the growth pattern since 1960 will be maintained, the growth in population will be distributed almost evenly between the central city and the remainder of the HMA. By August 1968, the population of Hutchinson is expected to be approximately 40,450 and the population of the remainder of the HMA will be about 17,000.

Net Natural Increase and Migration. During the 1950-1960 decade, the total population (including the rural farm component) in Reno County increased by about 500 annually.^{1/} Net natural increase (resident live births minus resident deaths) averaged 930 annually, indicating that an average of approximately 430 persons left the area annually, mainly for employment purposes. Since 1960, the total population (including farm) increased by an average of about 630 annually, whereas net natural increase averaged 590, reflecting in-migration of about 40 persons annually caused by the improved economic conditions of the area.

Military Population. Currently, there are about 320 military persons and their dependents in the HMA, less than one percent of the total

^{1/} The average annual gain of about 500 in the total population during the 1950-1960 decade resulted from a gain of approximately 750 annually in the nonfarm population and a loss of about 250 annually in the rural farm component. It is estimated that the rural farm population has declined by about 40 annually since 1960.

population. The military-connected population was approximately 540 in April 1960, and has not been a significant proportion of the total population of the HMA since activation of the Air Force Station.

Households

HMA Total. As of August 1966, there are approximately 18,050 nonfarm households (occupied housing units) in the Hutchinson HMA, an increase of about 1,275 (nearly eight percent) since 1960. The current household estimate represents an increase of about 200 annually since April 1960. During the 1950-1960 decade, the number of nonfarm households increased from about 14,250 to more than 16,775, a gain of approximately 2,525, or 18 percent.

In addition to increases based on actual growth, the increase in nonfarm households between 1950 and 1960 reflect both the change in the definition of farm in the two censuses, which tended to inflate the 1960 nonfarm figure, and the change in census definition from "dwelling unit" in the 1950 Census to "housing unit" in the 1960 Census, which also tended to raise the count of total nonfarm households.

Hutchinson City. Currently, there are approximately 13,000 households in Hutchinson City, about 72 percent of the total number of nonfarm households in the HMA. The current number of households in Hutchinson represents an increase of approximately 625 (5 percent), or 100 annually, since April 1960. From April 1950 to April 1960, the number of households in Hutchinson increased from about 10,850 to nearly 12,375, a gain of about 1,525 (14 percent).

Remainder of the HMA. Nonfarm households in the remainder of the HMA now total approximately 5,050, representing an increase of 650 (14 percent), or 100 annually, since 1960. The number of nonfarm households in the remainder of the HMA increased from about 3,400 to more than 4,400 during the last decennial period, a gain of about 1,000 (30 percent).

Paralleling the growth in population since 1950, the rate of nonfarm household growth was faster in the remainder of the HMA than in Hutchinson City, but numerically the increase has been somewhat greater in Hutchinson. Since 1960, the two areas recorded the same annual average gain of 100 households a year. Most of the growth outside Hutchinson occurred within a three-mile radius surrounding the city. The trend of nonfarm households in the HMA is indicated in the following table.

Trend of Nonfarm Households
Hutchinson, Kansas, HMA
1950-1966

<u>Area</u>	<u>April</u> <u>1950</u>	<u>April</u> <u>1960</u>	<u>August</u> <u>1966</u>	<u>Average annual change</u>			
				<u>1950-1960</u>		<u>1960-1966 ^{a/}</u>	
				<u>Number</u>	<u>Percent ^{b/}</u>	<u>Number</u>	<u>Percent ^{b/}</u>
Hutchinson	10,852	12,369	13,000	152	1.3	100	.8
Rest of HMA	<u>3,408</u>	<u>4,415</u>	<u>5,050</u>	<u>100</u>	<u>2.6</u>	<u>100</u>	<u>2.2</u>
HMA total	14,260	16,784	18,050	252	1.7	200	1.2

^{a/} Rounded.

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

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

Future Households. Based on the projected population and household size, it is estimated that during the forecast period, the number of nonfarm households in the HMA will increase by about 475 (about 240 annually) and will total approximately 18,525 by August 1968. Nonfarm households are expected to total approximately 13,225 in Hutchinson City and about 5,300 in the remainder of the HMA by the end of the forecast period.

Household Size. Currently, there is an average of about 3.01 persons per nonfarm household in the HMA, about the same as in 1960, and slightly above the 3.00 persons per household in 1950. The average size of household in Hutchinson (now estimated at 2.96, compared with 2.97 in 1960) has been decreasing slowly since 1950, when the average size of households was 2.98. In contrast, the average number of persons per household in the remainder of the HMA increased from 3.06 in 1950, to 3.13 in 1960 and to about 3.15 currently. No significant change in average household size is anticipated during the forecast period.

Military Households. Based on the current military strength of the Air Force Station and the March 1966 military housing survey, it is estimated that there are approximately 75 military-connected households in the area, a negligible proportion of the current total number of households in the HMA. In March 1966, there were 67 military-connected households; of these, nine were located at the Air Force Station, and the remaining 58 were living off-post. About 50 percent of the off-post households were in Hutchinson, and most of the remainder were in Haven, a small community southeast of the Air Force Station.

Housing Market Factors

Housing Supply

Current Estimate. As of August 1966, there are about 19,575 nonfarm housing units in the Hutchinson HMA, an increase of about 1,150 (six percent), or 180 annually, since April 1960 (see table IV). Hutchinson now has approximately 13,825 housing units, while the remainder of the HMA has about 5,750 nonfarm housing units. These totals represent increases of about 500 (four percent) and 650 (13 percent), respectively, since April 1960. Virtually all of the increase in the HMA occurred in Hutchinson or within a three-mile radius of the city limits.

Past Trend. During the April 1950-April 1960 period, the number of nonfarm housing units in the HMA increased by nearly 3,525 (24 percent) from about 14,900 to approximately 18,425. Part of the increase in the number of housing units in the decennial period resulted from definitional changes which tended to inflate the 1960 data. In the city of Hutchinson, which accounted for nearly 60 percent of the growth in the housing inventory during the 1950-1960 period, the number of housing units increased by about 2,100 (19 percent) from about 11,225 to 13,325. In the remainder of the HMA, the nonfarm inventory increased by 1,425 units (38 percent) from 3,675 units to nearly 5,100 units during the 1950-1960 period.

Type of Structure. The composition of the nonfarm housing inventory by units in structure is presented in the following table. As indicated, there has been no significant change since 1960. The proportion of one-unit structures (including trailers), which now comprise nearly 86 percent of the inventory, has increased slightly, while the proportions of units in two-unit structures and structures with three or more units have declined slightly.

Nonfarm Housing Inventory by Units in Structure
Hutchinson, Kansas, HMA
1960-1966

<u>Units in</u> <u>structure</u>	<u>April</u> <u>1960</u>	<u>August</u> <u>1966</u>	<u>Percent of total</u>	
			<u>1960</u>	<u>1966</u>
One unit ^{a/}	15,724	16,800	85.4	85.8
Two units	979	1,000	5.3	5.1
Three or more units	1,716	1,775	9.3	9.1
Total units	18,419	19,575	100.0	100.0

^{a/} Includes trailers.

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

Age of Structure. As indicated in the table below, many of the housing units in the HMA are quite old. More than 50 percent of the housing units were built before 1930 and are at least 37 years old. About 22 percent were built in the 1930-1949 period and are between 17 and 36 years old, while the remaining 28 percent were built since 1950 and are less than 17 years old.

Percentage Distribution of the Nonfarm Housing Inventory by Age
Hutchinson, Kansas, HMA

<u>Age of structure</u>	<u>Percentage distribution</u>
6 years old or less	7.5
7 to 11 years old	9.9
12 to 16 years old	10.6
17 to 26 years old	10.5
27 to 36 years old	11.0
37 or more years old	50.5
Total	100.0

- a/ 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. The addition of new housing units and the demolition of a substantial number of dilapidated units, especially in Hutchinson City, have led to a slight improvement in the condition of the nonfarm inventory. It is estimated that approximately 11 percent of the current housing inventory is dilapidated or lacks one or more plumbing facilities compared with over 13 percent in 1960.

Value and Rent. Currently, the median value of all owner-occupied housing units in the HMA is approximately \$9,750. In 1960, the Census of Housing reported that the median value of owner-occupied units (including rural farm housing) was approximately \$8,700. It is estimated that the median value of owner-occupied units in Hutchinson City is approximately \$10,000, compared with \$9,100 in April 1960. The increase in the median value of owner-occupied housing units results from a slight appreciation in real estate value and from the fact that most of the new housing units constructed since 1960 were priced above \$12,500.

In 1960, the Census of Housing reported that the median gross rent, including utilities, was approximately \$61 both in the HMA as a whole

and in Hutchinson City. It is judged that, because of the new units constructed (which, typically rent for \$75.00 or over) and because of the demolition of many substandard units in the lower rent ranges, the median gross rents in the HMA and in Hutchinson City have risen to approximately \$65 currently.

Residential Building Activity. Based on the number of housing units authorized by building permits in areas where over ninety percent of the 1960 nonfarm population lived, the number of housing units built since 1960 and those currently under construction total approximately 1,625 (equal average of about 250). The number of units authorized each year fluctuated considerably, ranging from a low of 186 in 1960 to a high of 300 in 1964 (see following table). For the first seven months of 1966, approximately 140 units have been authorized, indicating that the total for this year may approximate the 240 housing units authorized in 1965, provided interim and permanent financing are available.

Building permit data for the 1955-1959 period (available for the city of Hutchinson only) indicate that the number of housing units authorized declined drastically from 360 in 1955 to less than 100 in 1957 and remained virtually unchanged till 1960 (see table V). The decline in the number of units authorized resulted, in part, from the economic adversity which affected the local economy during the 1957-1958 recession, from which recovery was slow.

Since 1960, the city of Hutchinson has accounted for 869 of the housing units authorized, 56 percent of the total. The area within three miles of the city limits accounted for 575 units (about 37 percent of the total), and the incorporated areas of Arlington, Buhler, Nickerson, and South Hutchinson accounted for 116 units (seven percent of all units authorized); in addition, areas not covered by building permits accounted for an estimated 65 units.

Private Housing Units Authorized by Type of Structure
Hutchinson, Kansas, HMA
1960-1966

<u>Year</u>	<u>One- family</u>	<u>Two- to four-family</u>	<u>Five- or more-family</u>	<u>Total units</u>
1960	178	8	-	186
1961	231	12	-	243
1962	207	13	-	220
1963	226	4	-	230
1964	212	37	51	300
1965	201	29	10	240
1966 (Jan.-July)	121	2	18	141

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

Of the approximately 1,560 housing units authorized since 1960, about 88 percent were single-family units, nearly seven percent were in two-, three-, or four-family structures, and the remaining five percent were in five- or more-family structures. The number of single-family units authorized fluctuated from a low of 178 in 1960 to a high of 231 in 1961, but has been fairly stable since 1962. A total of 121 single-family units have been authorized for the first seven months of 1966.

The number of multifamily units authorized in the 1960-1963 period was not significant but, in 1964, the 88 multifamily units authorized formed a high proportion (29 percent) of the total authorizations for that year. Since then the number of multifamily units authorized annually has declined.

Of the total of 1,376 single-family units authorized in the 1960-1966 period, Hutchinson City accounted for 690 (50 percent). Virtually all the multifamily units authorized were in the city.

Units Under Construction. Based on the results of a postal vacancy survey conducted in the area on August 9, 1966, and building permit records, it is estimated that there are approximately 100 housing units currently under construction in the HMA. These include about 70 single-family houses and 30 multifamily units. Virtually all the units under construction are in Hutchinson City and the three mile area surrounding the city.

Demolitions. Data on demolitions in the HMA are incomplete; based mainly on records made available by the city building inspection department, it is estimated that approximately 375 housing units have been demolished since April 1960, including some units lost through

highway development. The units demolished include approximately 295 single-family houses and about 80 multifamily units. Over 80 percent of the units demolished were in the city of Hutchinson. It is judged that a substantial proportion of the total units demolished were from the rental category. It is estimated that approximately 120 units will be demolished during the forecast period because of code enforcement and other causes.

Tenure of Occupancy

Currently, there are approximately 18,050 occupied housing units in the HMA. Of these, 12,700 (70 percent) are owner-occupied, and 5,350 (30 percent) are renter-occupied. In accordance with the national trend, owner-occupancy increased during the decade from 65 percent of all occupied units in 1950 to 68 percent in 1960. Correspondingly, renter-occupancy declined from 35 percent of all occupied units to 32 percent during the decade.

Vacancy

Last Census. As of April 1960, the Census of Housing reported 810 vacant, nonseasonal, nondilapidated housing units available for sale or rent in the HMA, representing a net vacancy ratio of 4.6 percent. Of the available units, 250 were for sale and about 560 were for rent, equal to sales and rental vacancy ratios of 2.1 percent and 9.5 percent, respectively (see table IV). Approximately 190 of the units available for sale and 360 of those available for rent had all plumbing facilities.

Postal Vacancy Survey. A postal vacancy survey conducted in the Hutchinson HMA on August 9, 1966, included 16,990 residences and apartments, 87 percent of the approximately 19,575 housing units in the HMA. Of the total units surveyed, 581 were vacant, equal to a vacancy ratio of 3.4 percent. The housing units surveyed included 15,465 residences and 1,525 apartments. Of these, 381 residences and 200 apartments were vacant, representing vacancy ratios of 2.5 percent and 13.1 percent, respectively. The results of the postal vacancy survey are presented in table VI.

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. 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.

Current Estimate. Based on the postal vacancy survey, the results of which have been adjusted for coverage and to reflect census concepts, it is estimated that currently there are about 680 available, vacant, nonseasonal, nondilapidated housing units in the HMA, equal to a net vacancy ratio of 3.6 percent. About 220 units are for sale and 460 units are for rent, representing sales and rental vacancy ratios of 1.7 and 7.9 percent, respectively. Currently, vacancies are less numerous than in 1960; the gradual improvement in economic conditions has permitted the market to adjust slowly, thereby eliminating some of the excess vacancies. The number of vacancies and the vacancy ratios for 1960 and 1966 are indicated in the following table.

Vacant Housing Units
Hutchinson, Kansas, HMA
1960-1966

<u>Category</u>	<u>April 1960</u>	<u>August 1966</u>
Total vacant	1,635	1,525
Available vacant	809	680
For sale	250	220
Homeowner vacancy ratio	2.1%	1.7%
For rent	559	460
Rental vacancy ratio	9.5%	7.9%
Other vacant	826	845

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

Of the current number of available vacant housing units, an estimated 190 sales units and 320 rental units have all plumbing facilities and are judged to be competitive. These estimates of available competitive sales and rental vacancies are above the vacancy levels judged to be reasonable in slow growing areas like the Hutchinson HMA.

Sales Market

General Market Conditions. The current sales vacancy ratio, the record of building permits, and the small number of new vacant residences reported by the postal vacancy survey suggest that the sales market for new single-family units in the HMA is relatively firm, and that present market conditions have improved significantly since 1960. The volume of new single-family houses constructed each year (most of which are built on contract) has been commensurate with the show rate of population growth. The absence of any large-scale speculative construction prevents the accumulation of a large inventory of unsold new homes and, consequently, any severe softening of the market for new single-family houses.

The volume of activity of local realtors and brokers is an important indicator of the market for existing homes in the Hutchinson HMA. In July 1966, the multiple listing service, which serves the majority of the real estate agents in the city, listed 870 houses for sale during the first seven months of 1966 compared with about 1,025 for the same period in 1965. The number of sales totaled approximately 415 in each of the two periods. For the year 1965, there were approximately 1,625 listings and 831 sales. As indicated in the following table, both the number of listings and the number of sales have trended upward in recent years. Of more significance, the proportion of sales to total listings has increased, indicating an improved market for existing homes. The number of participating firms increased from 30 in 1962 to 32 in the 1964-1966 period, which may account for part of the increase in the volume of transactions.

Trend of Sales of Existing Houses
Hutchinson, Kansas, HMA
1962-1966

<u>Year</u>	<u>Total number of listings</u>	<u>Total number of sales</u>	<u>Percent sold</u>
1962	1,381	538	39.0
1963	1,238	574	46.4
1964	1,480	644	43.5
1965	1,628	831	51.0
1965 (Jan.-July)	1,024	413	40.3
1966 (Jan.-July)	869	414	47.6

Source: Multiple Listing Service, Hutchinson Board of Realtors.

Subdivision Activity. Because of the low volume of new construction, there is no large scale subdivision activity in the area. There are, however, many locations where about 10 to 15 houses are built annually. These are located mainly to the north and northwest of the city. The majority of the units built in these areas are presold, although one major contractor reports that a fair proportion of the units built by his company are constructed on a speculative basis and other developers report that they build a few units speculatively each year. These sources indicate that the speculatively-built units usually are sold within two or three months.

Home Prices. The prices of new homes in the Hutchinson HMA vary considerably, but the price range most typical in the many small subdivisions is about \$16,000 to \$22,000. In some areas, however, because of location and other amenities, prices are usually above \$25,000. In contrast, because of differences in physical characteristics, including the lack of a basement, new houses in some areas are priced between \$12,500 and \$15,000.

The average price of existing homes sold in the HMA during the first seven months of 1966 is approximately \$12,400 compared with an average of \$12,600 for existing homes sold during the same period in 1965. Local realtors and builders indicate that there has been an upward trend in the price of both new and existing houses since 1960, however.

Rental Market

General Market Conditions. Available data, including the postal vacancy survey and the opinions of local realtors and builders, suggest that the market for new rental units is firm currently. The apparent firmness of the market should, however, be qualified; only about 155 multifamily units have been completed since 1960, about 60 of which were in structures with five or more units.

Local realtors indicate that the rental market for used residences and apartments which are suitably located and possess adequate space, bathroom, and kitchen facilities, is fair. They usually are rented within twenty to thirty days after becoming vacant. In contrast, the older, less desirable units which are less competitive and which form a high proportion of the vacant rental units tend to remain vacant for long periods.

Rental Housing Under Construction. As indicated by the record of building permits and the postal vacancy survey, there are approximately 30 multifamily units under construction in the HMA. These include several duplexes in addition to a conventionally-financed 18-unit

rental project scheduled for completion in September 1966. Rents, including utilities, will be approximately \$125 for a one-bedroom apartment and \$150 for a two-bedroom apartment.

Rental Units Proposed. Currently there are proposals to construct approximately 80 additional rental units in the HMA. Construction of a 12-unit project depends on the successful absorption of the 18-unit project now under construction; rents in this project would be comparable to those in the project under construction. In two planned projects, which will have a total of about 44 units, rents (excluding utilities) will range from \$75 to \$105 for one-bedroom apartments, and from \$100 to \$200 for two-bedroom apartments. Tentative plans for the remaining 24 units are in the very early stages of development.

Mortgage Market

Principal Sources of Funds. The savings and loan institutions are the principal lenders of mortgage money in the area, with the commercial banks supplying a small proportion. Local mortgagees and realtors indicate that the mortgage market is very tight. Because the demand for mortgage money greatly exceeds the supply, lenders report that loans which appear to be sound are being denied. Current interest rates on conventional loans range between $6\frac{1}{2}$ and 7 percent, the downpayment is usually about 20 percent, and the repayment period is usually about 20 to 25 years.

Military Housing

The base housing office reports that there are nine appropriated fund housing units at Hutchinson Air Force Station. These are all occupied and are adequate. No significant change in the number of military housing units is anticipated during the forecast period.

Public Housing and Urban Renewal

On August 2, 1966, the electorate of Hutchinson approved an ordinance which prevents the city government from implementing Public Law 89-117 (Housing and Urban Development Act of 1965). Passage of this ordinance, as interpreted locally, rules out federally-assisted moderate rental projects as well as the development of a workable program for community improvement, urban renewal, low-rent public housing, and the rent-supplement program.

Demand for Housing

Quantitative Demand

The prospective annual demand for 250 new housing units in the next two years results from an increase of 240 households, adjusted for the number of housing units expected to be lost through demolition, conversions, and other causes. Adjustments have been made also for the current excess of vacancies, the present volume of construction, the anticipated shift in tenure, and the transfer of single-family units from owner to renter status. The annual demand for 250 new housing units includes approximately 225 sales units and 25 rental units (which is, of course, exclusive of public low-rent housing and rent-supplement accommodations made ineligible by local ordinance).

Qualitative Demand

Sales Housing. Based on current after-tax family incomes, on typical ratios of income to purchase price, and on recent market experience, the annual demand for 225 sales units is expected to be distributed by price as shown in the following table. It is judged that competitive single-family houses that meet FHA minimum standards cannot be produced in the Hutchinson HMA to sell for less than about \$10,000.

Estimated Annual Demand for New Sales Housing by Price Class
Hutchinson, Kansas, HMA
August 1966 - August 1968

<u>Price class</u>	<u>Number of houses</u>	<u>Percent distribution</u>
Under \$12,500	20	9
\$12,500 - 14,999	30	14
15,000 - 17,499	35	16
17,500 - 19,999	45	19
20,000 - 22,499	30	14
22,500 - 24,999	30	12
25,000 - 29,999	20	9
30,000 and over	<u>15</u>	<u>7</u>
Total	225	100

Rental Housing. The annual demand for 25 new privately-financed rental units, is mainly for one- and two-bedroom units. Minimum gross rents, at which new privately-owned rental units can be produced with market-interest-rate financing, are approximately \$100 for one-bedroom, and \$115 for two-bedroom apartments.^{1/}

^{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.

In addition, a small number of one- and two-bedroom rental units probably could be absorbed by the rental market at the lower rents achievable with below-market-interest-rate financing or assistance in land acquisition and cost. The possibility of constructing such units depends on the clarification of the city ordinance referred to on page 21.

Table I

Trend of Civilian Work Force Components
Hutchinson, Kansas, HMA
Annual averages 1961-1965

<u>Components</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>a/ Comparable months</u>	
						<u>June 1965</u>	<u>June 1966</u>
Civilian work force	<u>22,450</u>	<u>22,850</u>	<u>23,825</u>	<u>24,150</u>	<u>24,625</u>	<u>25,600</u>	<u>26,700</u>
Unemployment	800	650	650	700	625	800	775
Percent of work force	3.6%	2.8%	2.7%	2.9%	2.6%	3.1%	2.9%
Employment	<u>21,650</u>	<u>22,200</u>	<u>23,175</u>	<u>23,450</u>	<u>24,000</u>	<u>24,800</u>	<u>25,925</u>
Nonag. wage and salary employment	16,400	16,950	17,950	18,250	18,975	18,725	20,175
All other employment	5,250	5,250	5,225	5,200	5,025	6,075	5,750

a/ Preliminary.

Source: Kansas State Employment Service.

Table II

Nonagricultural Wage and Salary Employment by Industry
Hutchinson, Kansas, HMA
Annual averages 1961-1965

<u>Industry</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u> ^{a/}	<u>Comparable months</u> ^{a/}	
						<u>June 1965</u>	<u>June 1966</u>
Wage and salary employment	<u>16,400</u>	<u>16,950</u>	<u>17,950</u>	<u>18,250</u>	<u>18,975</u>	<u>18,725</u>	<u>20,175</u>
Manufacturing	3,875	3,850	4,150	4,450	4,825	4,800	5,700
Nonmanufacturing	<u>12,525</u>	<u>13,100</u>	<u>13,800</u>	<u>13,800</u>	<u>14,150</u>	<u>13,925</u>	<u>14,475</u>
Contract construction	1,075	1,150	1,175	1,150	1,400	1,475	1,750
Trans., comm., & pub. util.	1,325	1,225	1,275	1,200	1,175	1,200	1,225
Trade	4,675	4,850	5,175	5,125	5,175	5,200	5,225
Fin., ins., & real estate	900	950	975	975	1,000	975	1,050
Services	2,300	2,575	2,650	2,675	2,650	2,475	2,500
Government	2,125	2,200	2,375	2,500	2,550	2,425	2,550
Mining	125	150	175	175	200	175	175

^{a/} Preliminary.

Source: Kansas State Employment Service.

Table III

Estimated Percentage Distribution of all Families and of Renter Households
by Annual Income After Deduction of Federal Income Tax
Hutchinson, Kansas, HMA
1966 and 1968

<u>Annual family</u> <u>income</u>	<u>1966</u>		<u>1968</u>	
	<u>All</u> <u>families</u>	<u>Renter</u> <u>households</u> <u>a/</u>	<u>All</u> <u>families</u>	<u>Renter</u> <u>households</u> <u>a/</u>
Under \$2,000	7	10	7	9
\$2,000 - 2,999	7	9	6	9
3,000 - 3,999	9	12	8	10
4,000 - 4,999	11	15	11	15
5,000 - 5,999	14	15	12	14
6,000 - 6,999	13	13	13	14
7,000 - 7,999	10	9	11	9
8,000 - 8,999	8	5	8	6
9,000 - 9,999	6	4	6	4
10,000 - 12,499	8	4	9	5
12,500 and over	<u>7</u>	<u>4</u>	<u>9</u>	<u>5</u>
Total	100	100	100	100
Median income	\$6,150	\$5,250	\$6,450	\$5,475

a/ Excludes one-person renter households.

Source: Estimated by Housing Market Analyst.

Table IV

Nonfarm Housing Inventory, Tenure, and Vacancy
Hutchinson, Kansas, HMA
1950-1966

<u>Occupancy and tenure</u>	<u>April 1950</u>	<u>April 1960</u>	<u>August 1966</u>	<u>Average annual change</u>			
				<u>1950-1960</u>		<u>1960-1966^{a/}</u>	
				<u>Number</u>	<u>Percent^{b/}</u>	<u>Number</u>	<u>Percent^{b/}</u>
Total housing inventory	<u>14,900</u>	<u>18,419</u>	<u>19,575</u>	<u>352</u>	<u>2.2</u>	<u>180</u>	<u>1.0</u>
Total occupied	<u>14,260</u>	<u>16,784</u>	<u>18,050</u>	<u>252</u>	<u>1.7</u>	<u>200</u>	<u>1.2</u>
Owner-occupied	<u>9,270</u>	<u>11,469</u>	<u>12,700</u>	<u>220</u>	<u>2.2</u>	<u>195</u>	<u>1.7</u>
Percent of all occupied	65.0%	68.3%	70.4%	-	-	-	-
Renter-occupied	<u>4,990</u>	<u>5,315</u>	<u>5,350</u>	<u>32</u>	<u>.7</u>	<u>5</u>	<u>.1</u>
Percent of all occupied	35.0%	31.7%	29.6%	-	-	-	-
Vacant housing units	<u>640</u>	<u>1,635</u>	<u>1,525</u>	<u>100</u>	<u>9.4</u>	<u>-15</u>	<u>-1.0</u>
Available vacant	<u>298</u>	<u>809</u>	<u>680</u>	<u>51</u>	<u>10.0</u>	<u>-20</u>	<u>-2.4</u>
For sale	<u>77</u>	<u>250</u>	<u>220</u>	<u>17</u>	<u>11.8</u>	<u>-5</u>	<u>-1.9</u>
Homeowner vacancy rate	.8%	2.1%	1.7%	-	-	-	-
For rent	<u>221</u>	<u>559</u>	<u>460</u>	<u>34</u>	<u>9.2</u>	<u>-15</u>	<u>-2.7</u>
Rental vacancy rate	4.2%	9.5%	7.9%	-	-	-	-
Other vacant	<u>342</u>	<u>826</u>	<u>845</u>	<u>49</u>	<u>8.8</u>	<u>5</u>	<u>-</u>

^{a/} Rounded.

^{b/} Annual average percentage changes 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 V

Housing Units Authorized by Building Permits
Hutchinson, Kansas, HMA
1955-1966

<u>Year</u>	<u>Hutchinson</u>	<u>Remainder^{a/}</u> <u>of the HMA</u>	<u>HMA total</u>
1955	361	NA	NA
1956	251	NA	NA
1957	97	NA	NA
1958	86	NA	NA
1959	93	NA	NA
1960	97	89	186
1961	134	109	243
1962	122	98	220
1963	125	105	230
1964	192	108	300
1965	119	121	240
1966 (Jan.-July)	80	61	141

a/ Includes the three-mile area surrounding the city of Hutchinson and the incorporated areas of Arlington, Buhler, Nickerson, and South Hutchinson.

NA: Not available.

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

Table VI

Hutchinson, Kansas, Area Postal Vacancy Survey

August 9, 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.	%	
Hutchinson	16,990	581	3.4	555	26	89	15,465	381	2.5	355	26	61	1,525	200	13.1	200	-	28	354	8	2.3	
City Routes	15,750	569	3.6	543	26	79	14,225	369	2.6	343	26	51	1,525	200	13.1	200	-	28	332	6	1.8	
Rural Routes	1,240	12	1.0	12	-	10	1,240	12	1.0	12	-	10	-	-	-	-	-	-	22	2	9.1	

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).



HUD NEWS

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AND URBAN DEVELOPMENT
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HUD NO. 2272
(Phone 382-4693)

FOR RELEASE
THURSDAY, JUNE 8, 1967

HOUSING MARKET ANALYSIS - HUTCHINSON, KANSAS

The Federal Housing Administration today released its analysis of the Hutchinson, Kansas, housing market area, covering Reno County. It forecasts annual demand for 225 new single-family houses for sale and 25 multifamily rental units for the two years dating from August 1, 1966.

In August 1966, about 220 vacant housing units which were available for sale in the area, representing a home owner vacancy rate of 1.7 percent, and approximately 460 units were available for rent, indicating a rental vacancy rate of 7.9 percent. This home owner vacancy ratio is down from the 2.1 percent ratio reported by the 1960 Census of Housing and the rental vacancy ratio is down from the 9.5 percent ratio reported by the 1960 Census.

The August 1966 housing inventory of the Hutchinson area currently totaled about 19,575 nonfarm units. Since January 1960, about 1,150 housing units have been added to the inventory. About 12 percent of the units authorized for construction since 1960 were in multifamily structures. In August 1966, about 70 single-family houses and 30 multifamily units were under construction.

Since April 1960, the number of households has increased by about 1,275, or 200 a year, to 18,050 as of August 1, 1966. During the forecast period, an annual increase of 240 households is expected.

The analysis reported the population of the Hutchinson housing market area to be about 55,950. This is an increase of some 4,225 (670 a year) since April 1960. Annual population gains of 800 are predicted for the forecast period.

(more)

Library
Dept. of Housing and Urban Development
Room 103, Normandy Bldg.

The August 1966 median annual income of all families in the Hutchinson area was about \$6,150, after deduction of Federal income tax, and the median income of renter households was \$5,250. By 1968, median after-tax annual incomes are expected to increase to \$6,450 for all families and to \$5,475 for renter households.

The total of approximately 18,975 nonagricultural wage and salary jobs in the HMA in 1965 was approximately 2,575 (15 percent) higher than in 1961. Wage and salary employment has increased substantially each year since 1961, with increases averaging 640 jobs annually. In 1965, unemployment averaged 2.6 percent of the work force, a considerably lower rate of unemployment than the 1961 rate of 3.6 percent, highest for the 1961-1965 period. During the two forecast years, nonagricultural wage and salary employment is expected to increase by about 1,150 jobs, or 575 jobs annually.

Copies of the complete analysis may be obtained from Mr. Maurice T. Martin, Director, Federal Housing Administration, 700 Kansas Avenue, Topeka, Kansas, 66603.

* * * *

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